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LIVESTOCK AND MEAT Situation

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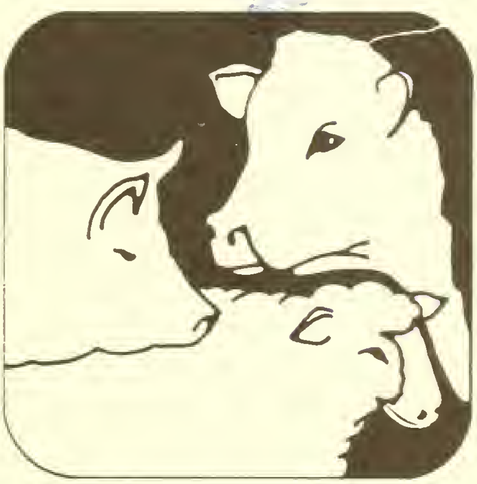

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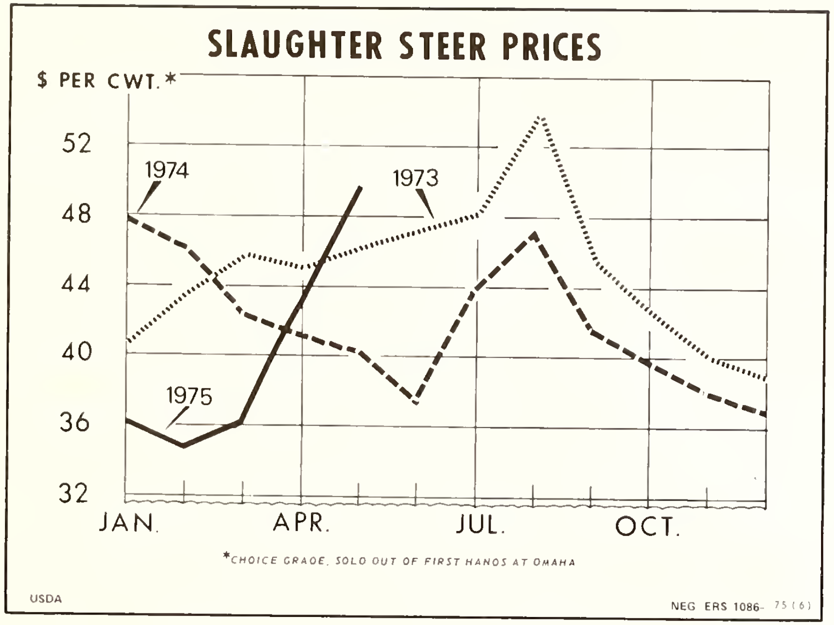

SLAUGHTER STEER PRICES

*CHOICE GRADE, SOLD OUT OF FIRST HANDS AT OMAHA

USDA

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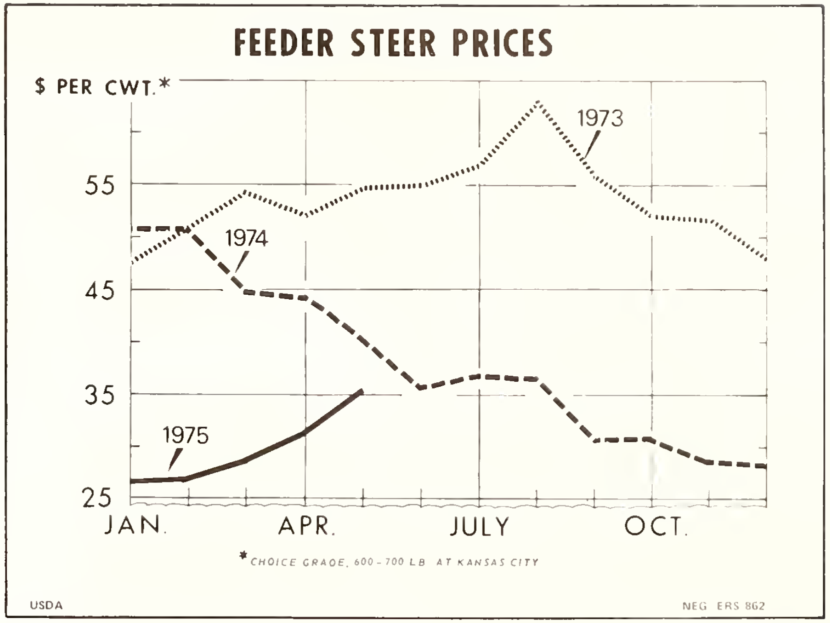

FEEDER STEER PRICES

*CHOICE GRADE, 600-700 LB. AT KANSAS CITY

USDA

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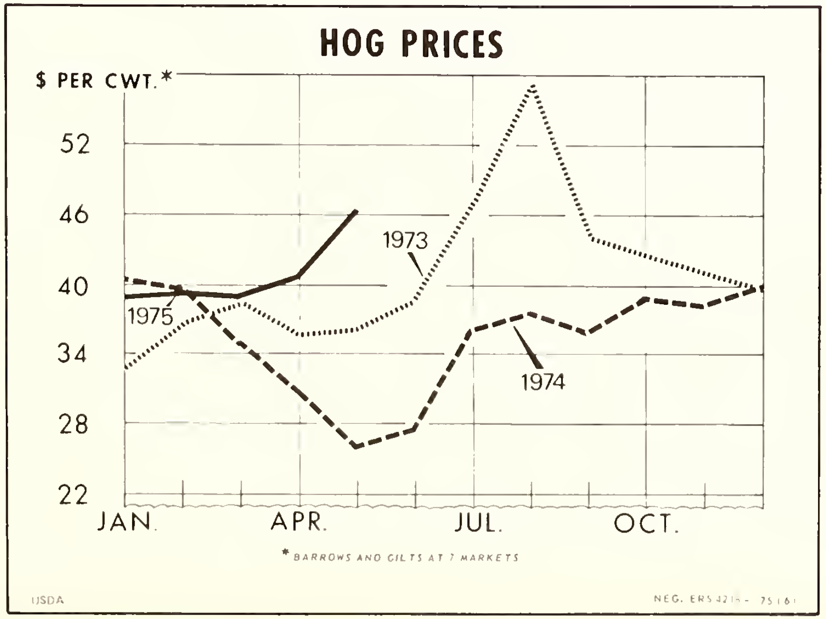

HOG PRICES

*BARROWS AND GILTS AT 7 MARKETS

USDA

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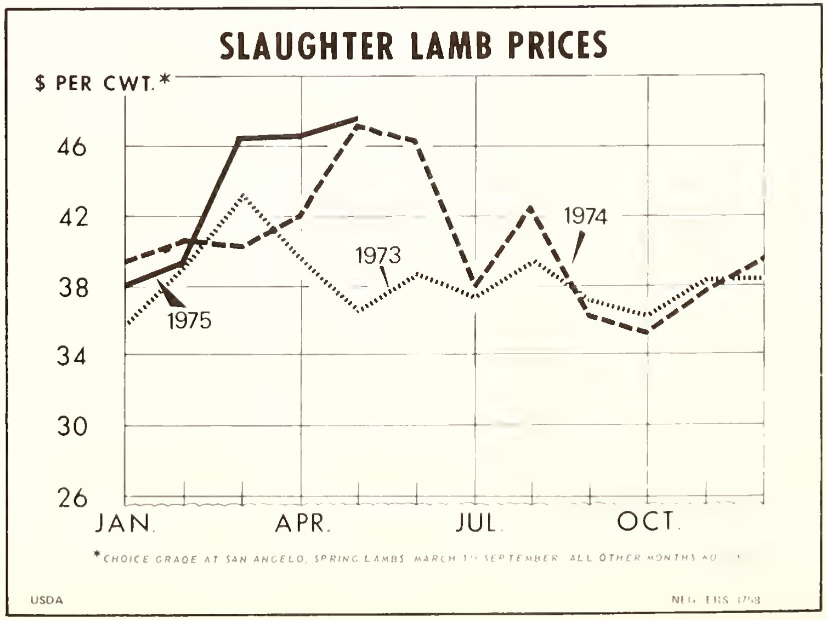

SLAUGHTER LAMB PRICES

*CHOICE GRADE AT SAN ANGELO, SPRING LAMBS MARCH TO SEPTEMBER, ALL OTHER MONTHS AO

USDA

NEG. ERS 3758

LIVESTOCK AND MEAT SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
June 2, 1975

Written by
George Hoffman
Eldon Ball

Commodity Economic Division

Economic Research Service

U.S. Department of Agriculture
Washington, D.C. 20250

• • •

The Livestock and Meat Situation is published in February, April, June, August, October, and December.

SUMMARY

Retail meat prices began to rise in April after generally declining for several months and further increases are in prospect through midyear. During January-March, meat prices averaged 7 percent below a year earlier as red meat production ran 2 percent higher. But seasonal reductions in beef production this spring and further sharper cuts in pork are reducing meat supplies from the winter and year-ago levels. Per capita meat consumption during April-June likely will drop to the lowest level since the removal of price controls in the summer of 1973. Expected increases in beef supplies this summer could moderate retail price advances before prices turn lower again in the fall. Retail meat prices likely will remain above year-earlier levels for the remainder of 1975.

Cattle prices moved sharply higher this spring in response to seasonal reductions in cattle slaughter from the near-record winter level and a substantial reduction in slaughter weights. Fewer fed cattle accounted for all the decline in slaughter. Cattle on feed inventories on April 1 were down more than 30 percent from last year's reduced level and cattle feeders have indicated plans to market the fewest fed cattle this spring in 10 years. Fed cattle prices have risen the most, reflecting tight fed beef supplies, moving from a 2-year low of nearly $35 per 100 pounds in February to nearly $50 in May. Feeder cattle and cow prices also rose during this period but not to the same degree as fed cattle.

Although spring cattle slaughter numbers will be down from winter, they will likely still total 5-7 percent above a year earlier, with all the increase in nonfed cattle. Fewer fed cattle in the slaughter mix are reducing average slaughter weights by almost 40 pounds per carcass from last year's unusually high level. As a result, beef production this spring may be slightly less than a year ago.

Price movements in the cattle market this summer and next fall will depend largely on range feed supplies, weather, and the development of this year's feed grain harvest. With fewer cattle in feedlots and a larger proportion of the total slaughter coming from nonfed cattle, slaughter patterns could change rapidly with changes in short-term weather and range conditions. Availability of grass largely will determine the timing and magnitude of expected

increases in nonfed slaughter from a record large and growing cattle herd. Although fed cattle marketings could be on the increase later this year, total supplies of fed beef will remain less than in recent years.

Even under optimum moisture conditions, grass could become short by July or August in many feeder cattle producing areas, requiring movement of nonfed cattle. And after a year of severely depressed feeder cattle prices, cow culling later this summer and fall could be extensive. Assuming normal range and pasture conditions, cattle slaughter is expected to become record large this summer and fall, placing downward pressure on prices of all classes of cattle. But low average slaughter weights of cattle, very small supplies of slaughter hogs, and fewer broilers in the market will tend to cushion any price declines in the cattle market. Fed cattle prices may decline to the low to mid-$40's in the summer and near $40 in the fall if these nonfed cattle move to market as expected. Dry conditions could exaggerate the movement of nonfed cattle, pushing prices even lower.

Sustained profitable returns to cattle feeders will be a prerequisite to any significant increase in demand for feeder cattle. Improved feeding margins this spring may result in some increased movement of feeder cattle into feedlots, but no surge is likely prior to further developments in this year's grain crops. If the crop is big enough to produce a break in feed prices, demand for feeder cattle this fall could be substantial, supporting feeder cattle prices. Although feeder prices will tend to parallel the fed cattle market, the unusually wide positive margins of this past year between feeder and fed cattle prices may narrow this fall.

Continued sharp reductions in hog slaughter and favorable prices for hog farmers are in prospect through early 1976. Commercial pork production during January-March 1975 fell 10 percent below the 1974 winter level and the percentage decline during April-June could be nearly twice as steep. Reduced slaughter supplies this year reflect the profit squeeze experienced by pork producers last year. In addition, rapidly rising corn prices last year made the cash grain market a more profitable alternative to feeding hogs for those producers who raise their own feed.

Hog prices have generally risen for about a year, although advances during this past winter probably were restricted somewhat by the depressed cattle market. Barrow and gilt prices moved sharply higher in May, topping $47 per 100 pounds on most markets, as fed cattle prices jumped.

Second half 1975 pork production could be down 15-17 percent from last year, reflecting sharp reductions in the 1975 spring pig crop. Pork production could decline even further if producers withhold more females from slaughter. This could happen if corn prices were to drop sharply this summer and fall in response to a bumper feed grain crop. Barrow and gilt prices during July-September likely will average the highest since the summer of 1973, at $45-$47 per 100 pounds and peak over $50. Hog prices are likely to decline some during the fall, even though the seasonal increase in pork production from summer to fall likely will be less than usual this year. The moderate seasonal increase in pork production in the fall will be augmented by expected large beef supplies and lower cattle prices, which could move the hog market slightly below the summer average during October-December. Pork production in 1975 likely will be the smallest in 9 years.

Improved returns to hog farmers this spring may temper earlier plans for reductions in this fall's pig crop. Last March, producers in 14 States planned to reduce sow farrowings for part of this crop by 17 percent. These are the pigs that will produce pork supplies in early 1976. Hog farmers are not likely to expand farrowing operations significantly until the 1975 corn harvest is assured and prices move lower. It now appears that if this year's feed crop is big enough to reduce corn prices, the initial expansion could begin with the December 1975-February 1976 pig crop with larger increases in March-May. However, these hogs will not enter the slaughter market until mid-1976.

SITUATION AND OUTLOOK

Commercial Meat Production

	1973		1974				1975			
	III	IV	I	II	III	IV	I	II[1]	III[1]	IV[1]
Beef (mil. lb.)	4,998	5,648	5,434	5,638	5,751	6,021	5,833	5,600	6,200	6,500
Percent change from										
Year earlier	-10	-1	+1	+12	+15	+7	+7	-1	+8	+8
Previous quarter	-1	+13	-4	+4	+2	+5	-3	-4	+11	+5
Pork (mil. lb.)	2,791	3,347	3,378	3,531	3,243	3,431	3,044	3,000	2,700	2,900
Percent change from										
Year earlier	-9	-5	+4	+11	+16	+3	-10	-15	-17	-15
Previous quarter	-12	+20	+1	+5	-8	+6	-11	-1	-10	+7
Lamb and Mutton (mil. lb.)	128	123	119	109	118	108	101	100	105	105
Percent change from										
Year earlier	+3	-10	-6	-14	-8	-12	-15	-8	-11	-3
Previous quarter	+2	-4	-3	-8	+8	-8	-6	-1	+5	0

[1] Forecast.

Livestock Prices

	1973		1974				1975			
	III	IV	I	II	III	IV	I	II[1]	III[1]	IV[1]
	Dollars Per Cwt.									
Choice steers, Omaha	49.04	40.19	45.39	39.52	44.21	38.28	35.72	45-47	42-44	39-41
Barrows & gilts, 7 markets	49.04	40.96	38.40	28.00	36.59	39.06	39.35	44-46	45-47	43-45
Slaughter lambs, 5 markets	36.63	35.00	39.68	44.65	37.97	36.63	40.32	46-48	41-43	40-42

[1] Forecast.

CATTLE

Restricted fed beef supplies, seasonally declining cattle slaughter, low average slaughter weights, and cutbacks in pork and poultry output all have helped to strengthen cattle prices this spring. Fed cattle prices rose the most—from lows of $35 per 100 pounds in mid-March to $50 in May—a $15 rise in just 8 weeks. Feeder cattle and cow prices followed a similar course but to a lesser degree. Fed cattle prices this spring reached the highest level since the price control period during the summer of 1973.

Overshadowing recent higher price trends, however, is a record large and growing cattle herd that has the potential of supplying record slaughter and production during the summer and fall, pushing fed cattle prices lower again. Cattle slaughter is not yet large enough to stop growth in the cattle herd. Further culling of the cow herd is probably still required to reach a level that will insure any continued profitable returns to feeder cattle producers.

Winter Slaughter Large

Commercial cattle slaughter during January-March totaled 9.7 million head, up 14 percent from the year-earlier level. Again, the increase in the number of nonfed cattle slaughtered was greater than the increase in all slaughter. Fed cattle marketings from the 23 major cattle feeding States last winter were down 9 percent from the 1974 level but remained very near third and fourth quarter 1974 levels of 5.5 million head. During the winter, fed cattle made up about 58 percent of the slaughter cattle supply, about the same proportion as last fall—but well below the 72 percent of a year earlier. Cow slaughter, at about 2.2 million head was up over 30 percent from the year-ago level during January-March, but was seasonally smaller than in the fall. Nonfed steer and heifer

Table 1–Beef supplies and prices

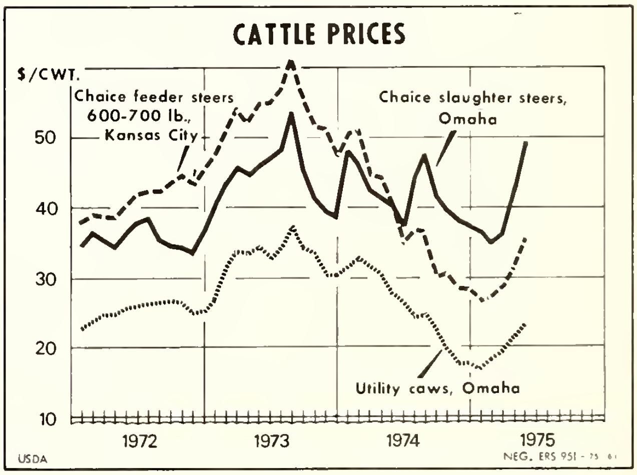
	Commercial cattle slaughter[1]						Average dressed weight	Commercial production	Per capita consumption[2]	Prices		
	Steers and heifers			Cows	Bulls and stags	Total				Retail	Choice Feeders 600-700 lb. Kansas City	Choice steers, Omaha
	Fed	Non-fed	Total									
	1,000 head	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*	*1,000 head*	*Lb.*	*Mil. lb.*	*Lb.*	*Cent/ lb.*	*$/cwt.*	*$/cwt.*
1971: I ...	6,380	572	6,952	1,500	135	8,587	619	5,300	27.7	100.2	33.57	31.05
II ...	6,480	687	7,167	1,586	164	8,917	612	5,445	28.1	104.8	34.50	32.57
III ...	6,820	666	7,486	1,614	179	9,279	602	5,574	29.3	105.4	34.84	32.77
IV ...	6,380	592	6,972	1,675	155	8,802	613	5,378	27.9	106.6	36.57	33.44
Year	26,060	2,517	28,577	6,375	633	35,585	611	21,697	113.0	104.2	34.87	32.42
1972: I ...	6,630	402	7,032	1,518	148	8,698	619	5,370	28.2	114.4	38.47	35.69
II ...	6,930	452	7,382	1,474	166	9,022	619	5,566	28.9	112.3	40.30	36.02
III ...	7,140	223	7,363	1,472	180	9,015	618	5,559	29.4	115.3	42.46	36.24
IV ...	6,970	395	7,365	1,528	151	9,044	635	5,723	29.6	113.2	44.36	35.06
Year	27,670	1,472	29,142	5,992	645	35,779	623	22,218	116.1	113.8	41.40	35.83
1973: I ...	6,770	146	6,916	1,590	156	8,662	624	5,393	28.0	129.2	50.77	43.17
II ...	6,470	86	6,556	1,434	165	8,155	621	5,049	26.2	135.8	53.74	46.00
III ...	6,080	204	6,284	1,533	180	7,997	626	4,998	26.8	141.8	57.98	49.04
IV ...	6,570	437	7,007	1,691	175	8,873	638	5,648	28.6	135.1	50.20	40.19
Year	25,890	873	26,763	6,248	676	33,687	628	21,088	109.6	135.5	53.17	43.89
1974: I ...	6,100	560	6,660	1,689	165	8,514	638	5,434	28.3	145.1	47.78	45.39
II ...	6,430	817	7,247	1,391	179	8,817	639	5,638	28.8	134.5	3,980	39.52
III ...	5,680	1,526	7,206	1,913	244	9,363	614	5,751	29.4	141.0	34.64	44.21
IV ...	5,670	1,695	7,365	2,521	232	10,118	595	6,021	30.3	134.5	29.31	38.28
Year	23,880	4,598	28,478	7,514	820	36,812	621	22,844	116.8	138.8	37.88	41.82
1975: I ...	5,660	1,632	7,292	2,221	207	9,720	600	5,833	30.2	129.6	27.39	35.72
II ..												
III .												
IV ...												
Year												

[1] Classes estimated. [2] Total including Farm Production.

slaughter during the winter was nearly three times the year-earlier level but remained about the same as the fall level.

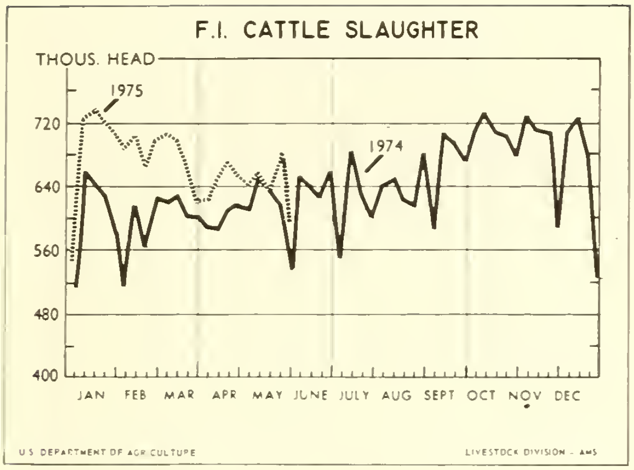
Although first quarter cattle slaughter was up 14 percent, commercial beef production rose only 7 percent. Lighter fed cattle and more nonfed cattle in the slaughter mix this year reduced average dressed weights almost 40 pounds per carcass from the unusually heavy weights of a year ago. While sharp reductions in average weights have helped to hold down increases in beef production compared with numbers slaughtered, January-March production was the second largest on record, exceeded only by last fall.

Under pressure from large supplies of nonfed beef, fed cattle prices moved to a 27-month low of nearly $35 per 100 pounds in February. Feeder cattle and cow prices, however, bottomed out earlier than the fed market. Choice 600-700 pound feeders at Kansas City, for example, dropped to $25 per 100 pounds in late January before trending higher in February. Utility cow prices at Omaha also reached their lowest level in January of about $16 per 100 pounds.

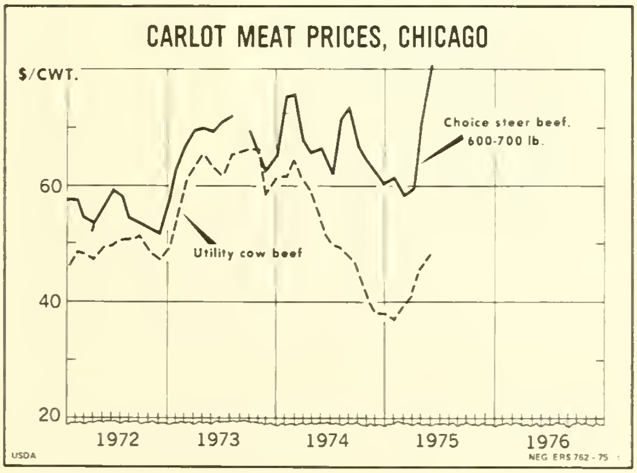


Prices Rise Sharply

The fed cattle market first showed signs of recovery in late March. The initial strength stemmed from a decline in the average weekly slaughter level from about 700,000 head during January and February to



about 650,000 head in late March and April. Fed cattle prices began to rise moderately. However, a major force behind the further sharp price increase was the realization from the April Cattle on Feed report that fed cattle marketings this spring were expected to drop well below the already depressed levels of the previous 9 months and be at the lowest level in 10 years. In the ensuing scramble for the small fed cattle supply, packers bid Choice steers to about $50 per 100 pounds on most markets by early May. Demand for grain-fed cattle was also reflected in the wholesale trade as Choice 600-700 pound beef carcasses at Chicago rose in price from $58 per 100 pounds in mid-March to over $80 in early May. Spreads between Choice steer prices and cow prices widened rapidly, reflecting the relatively small supply of Choice steers. By early May, Choice steers at Omaha sold for nearly $25 per 100 pounds more than Utility cows, compared with a $15-$17 spread last March. On a carcass basis, the spread in the wholesale trade was even more pronounced. With Choice steer beef (Choice basis) selling at $81 in early May and Utility cow beef at $48, the margin was $33 compared with $17 early last March.

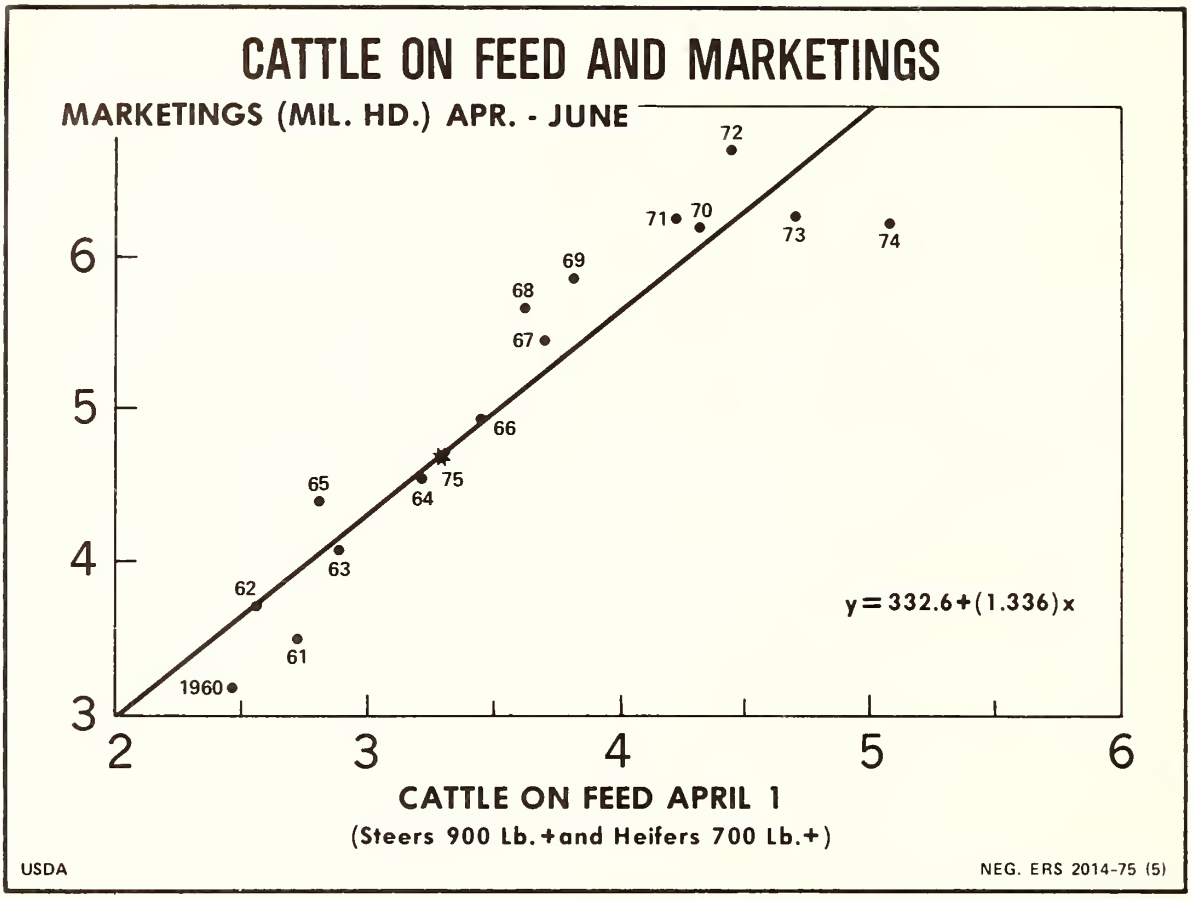


Nonfed cattle did not fully share the strength of the fed market. During the period between early March and early May when fed cattle prices rose $15 per cwt., Choice feeder cattle increased only about $8 and cows rose about $6.

Commercial cattle slaughter during April-June may total about 9.3 million head, less than previously expected. This would be about a 6 percent increase from a year ago but a 4-percent decline from the first quarter. Continued reductions in average slaughter weights in the spring suggest that commercial beef production during April-June will likely be slightly below last year's level. Sharper than expected cuts in fed cattle marketings are accounting for most of the reduction in slaughter from the first to second quarter this year. Cattle on feed inventories on April 1 in the 23 major cattle feeding States at 8½ million head were down 31 percent from a year earlier and the fewest for that date since 1963. Marketings from feedlots substantially exceeded placements during January-March, reducing the April 1 inventory 12 percent from the January 1 level. The seasonal reduction in cattle on feed inventories from January 1 to April 1 during the previous 4 years has only been 4-6 percent.

Cattle feeders have indicated plans to market about 4.7 million fed cattle during April-June, 25 percent fewer than last year, 14 percent fewer than the previous quarter, and the fewest for the second quarter since 1965. These intentions are in line with the historical relationship between the number of heavy cattle on feed on April 1 and subsequent marketings. (This relationship is shown on the following chart.) Fed marketings could exceed the 4.7 million mark if feeding periods are shortened more than feeders intended last April—and the sharp rise in fed cattle prices could encourage more short feeding and early marketings. But cost per pound of gain this spring is less than the selling price, which might be an incentive to feeders to lengthen feeding programs.

Even if fed cattle slaughter this spring is slightly higher than intended marketings, fed cattle will still make up less than 55 percent of the spring slaughter supply. Spring cow slaughter is slipping slightly from the winter level but will still run 55-60 percent larger than the low 1974 spring level. Nonfed steer and heifer slaughter this spring actually may increase from the winter level despite greening pastures and increased availability of feed. Continued restricted movement of cattle into feedlots this spring has left excess feeder cattle supplies that are going to slaughter. Also competing for new grass is this year's expected record large calf crop. Placements of cattle into feedlots this spring may be up slightly from depressed year-earlier levels, but still won't be large enough to relieve the pressure of growing feeder cattle supplies.



CATTLE ON FEED AND MARKETINGS

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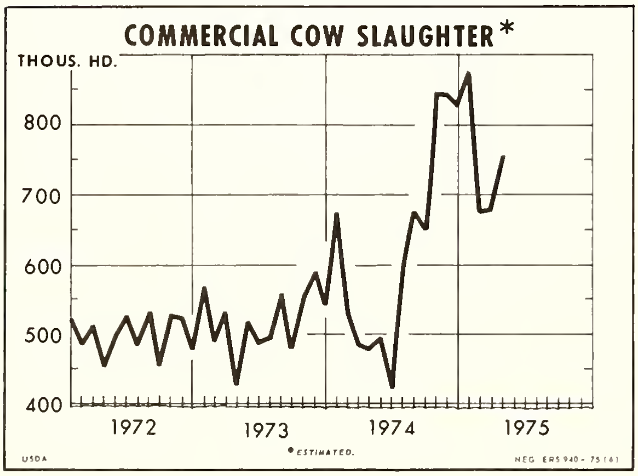

COMMERCIAL COW SLAUGHTER*

*ESTIMATED.

USDA

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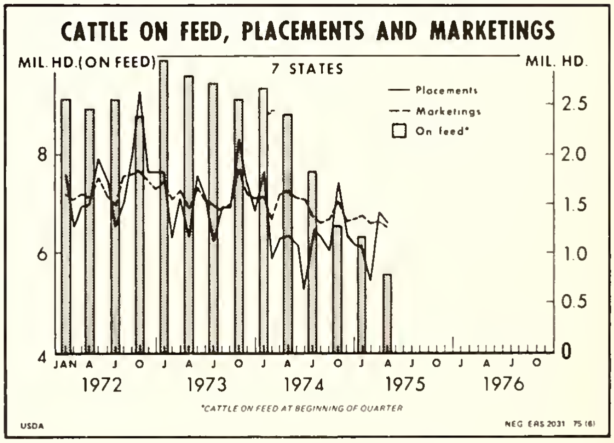

CATTLE ON FEED, PLACEMENTS AND MARKETINGS

*CATTLE ON FEED AT BEGINNING OF QUARTER

USDA

NEG. ERS 2031 75 (6)

7 States Cattle on Feed, Placements and Marketings

Year	On feed	Change, previous year	Placements	Change, previous year	Marketings	Change, previous year
	1,000 head	*Percent*	*1,000 head*	*Percent*	*1,000 head*	*Percent*
1972						
Jan. . . .	9,110	+10.8	1,785	+1.4	1,602	+0.9
Feb. . . .	9,293	+9.5	1,268	+15.0	1,540	+10.4
Mar. . . .	9,021	+10.1	1,485	-0.2	1,572	-0.6
Apr. . . .	8,934	+12.7	1,492	+6.6	1,546	+4.0
May . . .	8,880	+10.9	1,953	+22.9	1,758	+17.2
June . .	9,075	+12.0	1,721	+23.7	1,679	+5.2
July . . .	9,117	+17.3	1,277	+4.0	1,480	-5.2
Aug. . .	8,914	+18.0	1,549	+1.3	1,782	+8.8
Sept. . .	8,681	+16.7	1,893	-4.6	1,794	+4.9
Oct. . . .	8,780	+15.1	2,638	+8.2	1,840	+13.1
Nov. . .	9,578	+13.5	1,833	-3.8	1,735	+13.1
Dec. . . .	9,676	+9.8	1,836	+5.9	1,628	+13.4
1973						
Jan. . . .	9,884	+8.5	1,830	+2.5	1,721	+7.4
Feb. . . .	9,993	+7.5	1,183	-6.7	1,541	+0
Mar. . . .	9,635	+6.8	1,563	+5.3	1,623	+3.2
Apr. . . .	9,575	+7.2	1,186	-20.5	1,440	-6.9
May . . .	9,321	+5.0	1,785	-8.6	1,688	-4.0
June . .	9,418	+3.8	1,596	-7.3	1,557	-7.3
July . . .	9,457	+3.7	1,133	-11.3	1,498	+1.2
Aug. . .	9,092	+2.0	1,469	-5.2	1,410	-20.9
Sept. . .	9,151	+5.4	1,446	-23.6	1,490	-16.9
Oct. . . .	9,107	+3.7	2,133	-19.1	1,773	-3.6
Nov. . .	9,467	-1.2	1,647	-10.1	1,639	-5.5
Dec. . . .	9,475	-2.1	1,411	-23.1	1,533	-5.8
1974						
Jan. . . .	9,353	-5.4	1,837	+0.4	1,558	-9.5
Feb. . . .	9,632	-3.6	956	-19.2	1,340	-13.0
Mar. . . .	9,248	-4.0	1,132	-27.8	1,577	-2.8
Apr. . . .	8,803	-8.1	1,177	-0.8	1,629	+13.1
May . . .	8,351	-10.4	1,085	-39.2	1,551	-8.1
June . .	7,885	-16.3	801	-49.8	1,540	-1.1
July . . .	7,146	-24.4	1,218	+7.5	1,357	-9.4
Aug. . .	7,007	-22.9	1,149	-21.8	1,301	-7.7
Sept. . .	6,855	-25.1	1,041	-28.0	1,324	-11.1
Oct. . . .	6,572	-27.8	1,741	-18.4	1,517	-14.4
Nov. . .	6,796	-28.2	1,168	-29.1	1,338	-18.4
Dec. . . .	6,626	-30.1	1,087	-23.0	1,344	-12.3
1975						
Jan. . . .	6,369	-31.9	1,063	-42.3	1,382	-11.3
Feb. . . .	6,050	-37.2	709	-25.8	1,296	-3.3
Mar. . . .	5,463	-40.3	1,430	+26.3	1,316	-16.6
Apr. . . .	5,577	-36.6	1,272	+8.1	1,260	-22.7
May . . .	5,589	-33.1				

Gross cattle feeding margins[1]

Year	Fed cattle[2]	Feeder cattle[3]	Gross margin
	Dollars per steer	*Dollars per steer*	*Dollars per steer*
1972			
January	374	206	168
February	381	211	170
March	369	210	159
April	362	214	148
May	375	221	154
June	398	223	175
July	403	228	175
August	375	233	142
September	364	232	132
October	367	231	136
November	353	243	110
December	387	252	135
1973			
January	427	252	175
February	457	252	205
March	479	260	219
April	473	265	208
May	480	259	221
June	491	275	216
July	500	284	216
August	556	306	250
September	474	324	150
October	440	311	129
November	421	327	94
December	413	329	84
1974			
January	495	339	156
February	487	374	113
March	450	330	120
April	436	311	125
May	425	306	119
June	399	286	113
July	459	303	156
August	490	305	185
September	434	269	165
October	416	265	151
November	396	241	155
December	391	211	180
1975			
January	382	220	162
February	365	220	145
March	379	183	196
April	449	186	263
May	520	172	348

[1] Current fed prices per steer compared with feeder cattle prices 6 months earlier. [2] Choice steers at Omaha, 1,050 lb. [3] Choice steers at Kansas City, 600 lb.

Although sharp price rises in the fed market this spring have greatly improved feeding margins and profits for those cattle feeders who have fed cattle, there is still apparently little interest in any substantial expansion of feeding operations. While placements in seven cattle feeding States rose in March, there was no significant increase in April and placements will not likely be up significantly in May or June. Continued tight supplies of feed grains, which must carry the livestock industry through the fall, will not support any substantial increase in cattle feeding prior to availability of grain from the new crop harvest. Also, during May cattle feeders were not able to contract future cattle sales for May cash prices. Fed cattle future contracts for delivery in August, October and December were selling in the low $40's.

Choice steers at Omaha during the April-June quarter likely will average $45-$47 per 100 pounds, over $10 higher than in the winter and $6-$8 over the 1974 spring level.

Lower Prices Ahead

Green pastures in the spring helped to relieve some of the pressure to market nonfed steers, heifers, and

Table 2—Corn Belt Cattle Feeding

Selected expenses at current rates[1]

Purchased during Marketed during	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 75	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 75 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses															
600 lb. feeder steer	268.86	264.90	240.84	210.60	220.32	220.20	182.94	185.64	172.26	169.62	158.70	161.76	172.50	190.14	213.00
Transportation to feedlot (400 miles)	4.80	5.04	5.04	5.04	5.04	5.04	5.04	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	120.15	107.55	110.70	117.00	134.10	152.55	148.05	157.05	148.50	147.60	137.70	128.70	121.05	120.60	119.70
Silage (1.7 tons)	32.37	30.28	30.38	30.58	33.95	38.71	37.93	40.26	39.47	41.62	40.17	38.05	37.11	37.23	36.70
30% protein supplement (270 lb.)	23.22	23.09	21.74	20.93	21.60	26.60	24.84	26.73	25.78	25.38	24.57	23.22	22.14	22.95	22.82
Hay (400 lb.)	6.90	7.10	6.75	6.05	6.15	7.05	7.10	7.55	8.16	9.80	10.10	9.80	10.16	10.30	10.05
Labor (4 hours)	9.04	9.20	9.20	9.20	9.44	9.44	9.44	9.84	9.84	9.84	9.92	9.92	9.92	9.92	9.92
Management[2]	4.52	4.60	4.60	4.60	4.72	4.72	4.72	4.92	4.92	4.92	4.96	4.96	4.96	4.96	4.96
Vet medicine[3]	2.60	2.66	2.67	2.69	2.72	2.80	2.84	2.86	2.89	2.91	2.90	2.89	2.88	2.92	2.95
Interest on purchase (6 mo.)	12.77	13.91	12.64	11.06	11.57	11.56	9.60	9.75	9.04	8.90	8.33	8.49	9.06	9.51	10.65
Power, equip, fuel, shelter, depreciation[3]	12.03	12.32	12.36	12.45	12.56	12.93	13.13	13.22	13.37	13.44	13.52	13.48	13.42	13.61	13.74
Death loss (1% of purchase)	2.69	2.65	2.41	2.11	2.20	2.20	1.83	1.86	1.72	1.70	1.59	1.62	1.72	1.90	2.13
Transportation (100 miles)	2.10	2.21	2.21	2.21	2.21	2.21	2.21	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.30	3.30	3.30	3.30	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous & indirect costs[3]	5.20	5.33	5.35	5.38	5.43	5.59	5.68	5.72	5.78	5.81	5.85	5.83	5.80	5.89	5.94
Total	510.55	494.14	470.19	443.20	475.36	504.95	458.70	476.34	452.67	452.48	429.25	419.66	421.66	440.87	463.50
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price/cwt. required to cover feed and feeder costs (1050 lb.)	43.00	41.23	39.09	36.68	39.63	42.39	38.18	39.74	37.54	37.53	35.36	34.43	34.57	36.31	38.31
Selling price/cwt. required to cover all costs (1050 lb.)	48.62	47.06	44.78	42.21	45.27	48.09	43.69	45.37	43.11	43.09	40.88	39.97	40.16	41.99	44.14
Feed cost per 100 lb. gain	40.59	37.34	37.68	38.79	43.51	49.98	48.43	51.46	49.31	49.87	47.23	44.39	42.32	42.46	42.06
Choice steers, Omaha	41.41	39.75	38.04	37.05	36.27	34.80	36.08	43.01	49.60						
Net margin/cwt.	-7.21	-7.31	-6.74	-5.16	-9.00	-13.29	-7.61	-2.36	+6.49						
Prices															
Feeder steer choice (600-700 lb., Kansas City/cwt.)	44.81	44.15	40.14	35.10	36.72	36.70	30.49	30.94	28.71	28.27	26.45	26.96	28.75	31.69	35.50
Corn/(bu.)[4]	2.67	2.39	2.46	2.60	2.98	3.39	3.29	3.49	3.30	3.28	3.06	2.86	2.69	2.68	2.66
Hay/ton[4]	34.50	35.50	33.75	30.25	30.75	35.25	35.50	37.75	40.75	49.00	50.50	49.00	50.75	51.50	50.25
Corn silage /ton[5]	19.04	17.81	17.87	17.99	19.97	22.77	22.31	23.68	23.22	24.48	23.63	22.38	21.83	21.90	21.59
30%, Protein supplement/cwt.[6]	8.60	8.55	8.05	7.75	8.00	9.85	9.20	9.90	9.55	9.40	9.10	8.60	8.20	8.50	8.45
Farm Labor/hour[6]	2.26	2.30	2.30	2.30	2.36	2.36	2.36	2.46	2.46	2.46	2.48	2.48	2.48	2.48	2.48
Interest annual rate	9.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.00	10.00
Transportation rate/cwt. 100 mile	.20	.21	.21	.21	.21	.21	.21	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	3.30	3.30	3.30	3.30	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	549	562	564	568	573	590	599	603	610	613	617	615	612	621	627

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Corn silage price derived from an equivalent price of 5 bushels corn and 330 lb. hay. [6] Average price paid by farmers in Iowa and Illinois. [7] Converted from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

Table 3—Texas Panhandle Cattle Feeding

Selected expenses at current rates[1]

Purchased during Marketed during	Mar. Sept.	Apr. Oct.	May Nov.	June Dec.	July Jan. 75	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. 75 July	Feb. Aug.	Mar. Sept.	Apr. Oct.	May Nov.
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses															
600 lb. Feeder steer	235.26	240.60	205.80	168.36	189.24	174.00	150.72	151.80	143.28	133.68	133.98	129.36	143.52	163.98	178.86
Transportation to feedlot (150 mi.)	1.80	1.89	1.89	1.89	1.89	1.89	1.89	1.98	1.98	1.98	1.98	1.98	1.98	1.98	1.98
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Sorghum grain (2156 lb.)	98.31	85.38	81.07	79.77	89.47	108.45	113.62	125.48	126.77	115.13	110.39	90.34	86.02	89.69	91.41
Corn (18 bu.)	50.94	45.54	45.54	46.26	49.32	56.88	59.58	61.74	60.12	58.32	53.82	49.14	46.08	46.44	47.88
Urea (20 lb.)	.92	1.94	1.94	1.94	1.94	1.94	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.40	2.40
Cottonseed hulls (352 lb.)	8.80	8.80	8.80	8.80	8.80	9.24	9.86	10.56	10.67	11.02	11.00	10.91	9.42	9.42	9.42
Alfalfa cubes (352 lb.)	23.54	23.54	25.08	22.88	24.20	25.74	27.06	27.06	27.28	26.40	26.18	24.89	23.76	24.64	24.64
Labor (2 hours)	3.72	3.80	3.80	3.80	3.90	3.90	3.90	3.94	3.94	3.94	3.96	3.96	3.96	3.96	3.96
Management[2]	3.72	3.80	3.80	3.80	3.90	3.90	3.90	3.94	3.94	3.94	3.96	3.96	3.96	3.96	3.96
Vet medicine[3]	2.60	2.66	2.67	2.69	2.72	2.80	2.84	2.86	2.89	2.91	2.92	2.92	2.90	2.94	2.97
Interest on purchase (6 mo.)	11.17	12.63	10.80	8.84	9.94	9.14	7.91	7.97	7.52	7.02	7.03	6.79	7.53	8.20	8.94
Power, equip., fuel, shelter, dep.[3]	12.03	12.32	12.36	12.45	12.56	12.93	13.13	13.22	13.37	13.44	13.52	13.48	13.42	13.61	13.74
Death Loss (1.1% of purchase)	2.59	2.65	2.26	1.85	2.08	1.91	1.66	1.67	1.88	1.47	1.47	1.42	1.58	1.80	1.79
Transport and Marketing expense[4]	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.
Miscellaneous & Indirect costs[3]	5.20	5.33	5.35	5.38	5.43	5.59	5.68	5.72	5.78	5.81	5.85	5.83	5.80	5.89	5.94
Total	463.60	452.86	414.16	371.71	408.39	421.31	407.05	423.24	414.72	390.36	381.36	350.28	355.23	381.91	400.89
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per ewt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price require/cwt to cover feed & feeder costs[5]	41.45	40.26	36.53	32.54	36.01	37.33	36.03	37.59	36.75	34.41	33.50	30.45	30.86	33.39	35.18
Selling price required/cwt. to cover all costs[5]	45.99	44.93	41.09	36.88	40.51	41.80	40.38	41.99	41.14	38.73	37.84	34.75	35.24	37.89	39.77
Feed cost/100 lb. gain	40.56	36.71	36.10	35.48	38.61	44.94	47.20	50.48	50.48	47.37	45.26	39.46	37.24	38.35	39.06
Good and Choice slaughter steers, Texas/cwt.	39.53	38.84	36.86	36.69	35.47	33.45	34.72	42.28	48.68						
Net margin/cwt.	-6.46	-6.09	-4.23	-.19	-5.04	-8.35	-5.66	+.29	+7.54						
Prices															
Good feeder steer 600 lb. Amarillo/cwt.	39.21	40.10	34.30	28.06	31.54	29.00	25.12	25.30	23.88	22.28	22.33	21.56	23.92	27.33	29.81
Transportation rate/cwt. 100 mi.[6]	.20	.21	.21	.21	.21	.21	.21	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee/cwt.	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Sorghum grain/cwt.[7]	4.56	3.96	3.76	3.70	4.15	5.03	5.27	5.82	5.88	5.34	5.12	4.19	3.99	4.16	4.24
Corn/bu.	2.83	2.53	2.53	2.57	2.74	3.16	3.31	3.43	3.34	3.24	2.99	2.73	2.56	2.58	2.66
Alfalfa cubes/ton	133.75	133.75	142.50	130.00	137.50	146.25	153.75	153.75	155.00	150.00	148.75	141.30	135.00	140.00	140.00
Cottonseed Hulls/ton	50.00	50.00	50.00	50.00	50.00	52.50	56.00	60.00	60.50	62.50	62.50	62.00	53.50	53.50	53.50
Urea/ton[8]	92.00	194.00	194.00	194.00	194.00	194.00	230.00	230.00	230.00	230.00	230.00	230.00	230.00	240.00	240.00
Farm labor[8]	1.86	1.90	1.90	1.90	1.95	1.95	1.95	1.97	1.97	1.97	1.98	1.98	1.98	1.98	1.98
Interest rate	9.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.00	10.00
Index of prices paid by farmers (1910-14=100)	549	562	564	568	573	590	599	603	610	613	617	615	612	621	627

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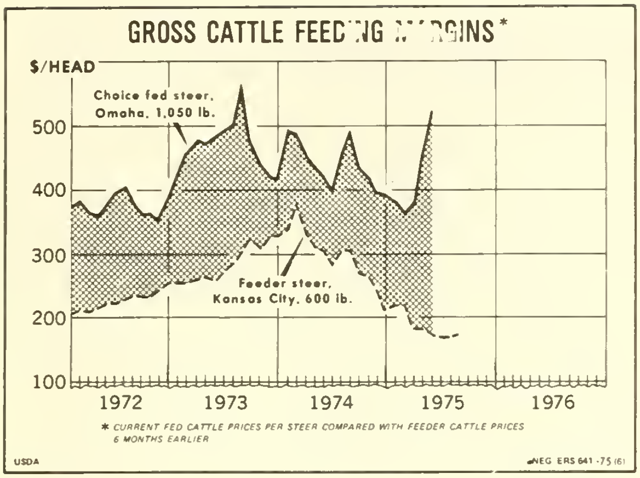
[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Most cattle are sold F.O.B. the feedlot with 4% shrink, [5] Sale weight = 1008 lbs. (1050-4% shrink). [6] Converted from cents per mile for a 44,000 pound haul. [7] Average price received by farmers in Texas. [8] Average price paid by farmers in Texas.

Table 4—California Cattle Feeding

Selected expenses at current rates[1]

Purchased during Marketed during	Mar. Dec.	Apr. Jan. 75	May Feb.	June Mar.	July Apr.	Aug. May	Sept. June	Oct. July	Nov. Aug.	Dec. Sept.	Jan. 75 Oct.	Feb. Nov.	Mar. Dec.	Apr. Jan.76	May Feb.
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses															
450 lb. feeder steer	212.76	203.63	175.50	142.29	144.95	139.50	117.54	113.22	101.52	99.14	95.08	97.74	102.64	118.26	124.29
Transportation to Feedlot (1400 miles)	12.60	13.23	13.23	13.23	13.23	13.23	13.23	13.86	13.86	13.86	13.86	13.86	13.86	13.86	13.86
Commission	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Barley (70 bu.)	207.20	174.30	162.40	165.20	175.70	212.80	219.10	228.90	237.30	237.30	233.10	205.80	186.20	189.70	193.90
41% Cottonseed Meal (59 lb.)	5.90	5.90	5.55	5.37	5.13	5.66	5.90	5.43	5.66	5.31	5.66	5.25	5.13	5.02	4.90
Urea (28 lb.)	1.47	2.66	2.66	2.66	2.66	2.66	3.01	3.01	3.01	3.01	3.01	3.01	3.01	3.22	3.22
Alfalfa hay (862 lb.)	31.25	31.03	28.88	28.02	27.15	27.37	27.15	27.37	27.58	27.58	27.58	26.55	26.29	26.08	26.51
Labor (2 hours)	4.72	4.82	4.82	4.82	4.98	4.98	4.98	5.08	5.08	5.08	5.20	5.20	5.20	5.20	5.20
Management[2]	4.72	4.82	4.82	4.82	4.98	4.98	4.98	5.08	5.08	5.08	5.20	5.20	5.20	5.20	5.20
Vet Medicine[3]	2.60	2.66	2.67	2.69	2.72	2.80	2.84	2.86	2.89	2.91	2.92	2.92	2.90	2.94	2.97
Interest on purchase (9 months)	15.17	16.05	13.83	11.21	11.41	10.99	9.26	8.92	7.99	8.67	7.49	7.70	8.08	8.87	9.32
Power, equip., fuel, shelter, depreciation[3]	12.03	12.32	12.36	12.45	12.56	12.93	13.13	13.22	13.37	13.44	13.52	13.48	13.42	13.61	13.74
Death Loss (2% of purchase)	4.26	4.07	3.51	2.85	2.90	2.79	2.35	2.26	2.03	1.98	1.90	1.95	2.05	2.37	2.49
Transport & marketing expenses[4]	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.	F.O.B.
Miscellaneous and indirect costs[3]	5.20	5.33	5.35	5.38	5.43	5.59	5.68	5.72	5.78	5.81	5.85	5.83	5.80	5.89	5.94
Total	522.13	483.07	437.83	403.24	416.05	448.53	431.40	437.18	433.40	431.42	422.62	396.74	382.03	402.47	413.79
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price required/cwt. to cover feed and feeder costs[5]	46.60	42.43	38.11	34.91	36.14	39.43	37.88	38.41	38.12	37.84	37.04	34.39	32.85	34.78	35.86
Selling price required/cwt. to cover all costs[5]	53.06	49.09	44.49	40.98	42.28	45.58	43.84	44.43	44.04	43.84	42.95	40.32	38.82	40.90	42.05
Feed cost/100 lb. gain	42.75	37.20	34.69	35.00	36.63	43.22	44.38	46.04	47.57	47.51	46.84	41.85	38.37	38.96	39.74
Choice slaughter steers-California/cwt.	38.75	39.65	37.19	38.81	45.95	50.94									
Net margin/cwt.	-14.31	-9.44	-7.30	-2.17	+3.67	+5.36									
Prices															
Feeder steer (Good, 400-500 lb. Fort Worth/cwt.)	47.28	45.25	39.00	31.62	32.21	31.00	26.12	25.16	22.56	22.03	21.13	21.72	22.81	26.28	27.62
Transportation rate/cwt. (100 miles)[6]	.20	.21	.21	.21	.21	.21	.21	.22	.22	.22	.22	.22	.22	.22	.22
Commission fee/cwt.	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50
Barley/bushel[7]	2.96	2.49	2.32	2.36	2.51	3.04	3.13	3.27	3.39	3.39	3.33	2.94	2.66	2.71	2.77
Alfalfa hay/ton[7]	72.50	72.00	67.00	65.00	63.00	63.50	63.00	63.50	64.00	64.00	64.00	61.50	61.00	60.50	61.50
41% Cottonseed meal/cwt.[8]	10.00	10.00	9.40	9.10	8.70	9.60	10.00	9.20	9.60	9.00	9.60	8.90	8.70	8.50	8.30
Urea/ton[8]	105.00	190.00	190.00	190.00	190.00	190.00	215.00	215.09	215.00	215.00	215.00	215.00	215.00	230.00	230.00
Farm labor/hour[8]	2.36	2.41	2.41	2.41	2.49	2.49	2.49	2.54	2.54	2.54	2.60	2.60	2.60	2.60	2.60
Interest rate	9.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.00	10.00
Index of prices paid by farmers (1910-14=100)	549	562	564	568	573	590	599	603	610	613	617	615	612	621	627

[1] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. [2] Assumes one hour at twice the labor rate. [3] Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. [4] Most cattle are sold F.O.B. the feedlot with a 4% shrink. [5] Sale weight = 984 lbs. (1025 less 4% shrink). [6] Converted from cents per mile for a 44,000 pound haul. [7] Average price received by farmers in California. [8] Average price paid by farmers in California.



Cattle on feed, April 1, 23 States

Weight group	1972	1973	1974	1975
	1,000 head			
Steers:				
-500 lb.	553	586	498	267
500-699 lb.	2,611	2,694	2,220	1,569
700-899 lb.	2,901	3,054	2,707	1,993
900-1099 lb.	2,320	2,628	2,642	1,710
1100 + lb.	588	504	958	445
Total	8,953	9,466	9,025	5,984
Heifers				
-500 lb.	538	538	398	240
500-699 lb.	1,730	1,682	1,324	1,037
700-899 lb.	1,193	1,188	1,024	786
900-1099 lb.	360	385	456	339
Total	3,821	3,793	3,202	2,402

Choice steer prices per 100 pounds, Omaha

Month	1970	1971	1972	1973	1974	1975
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
January	28.23	29.11	35.74	40.62	47.68	36.27
February . . .	29.30	32.23	36.19	43.35	46.12	34.80
March	30.97	31.81	35.13	45.55	42.36	36.08
April	30.64	32.44	34.53	44.97	41.18	43.01
May	29.52	32.88	35.66	46.05	40.04	49.60
June	30.29	32.39	37.88	46.98	37.33	
July	31.12	32.44	38.21	48.05	43.98	
August	30.14	33.24	35.66	53.61	47.23	
September . .	29.32	32.62	34.85	45.45	41.41	
October	28.67	32.34	34.85	41.79	39.75	
November . . .	27.21	33.58	33.56	39.88	38.04	
December . . .	26.71	34.40	36.79	38.90	37.05	
Average	29.34	32.42	35.83	43.89	41.82	

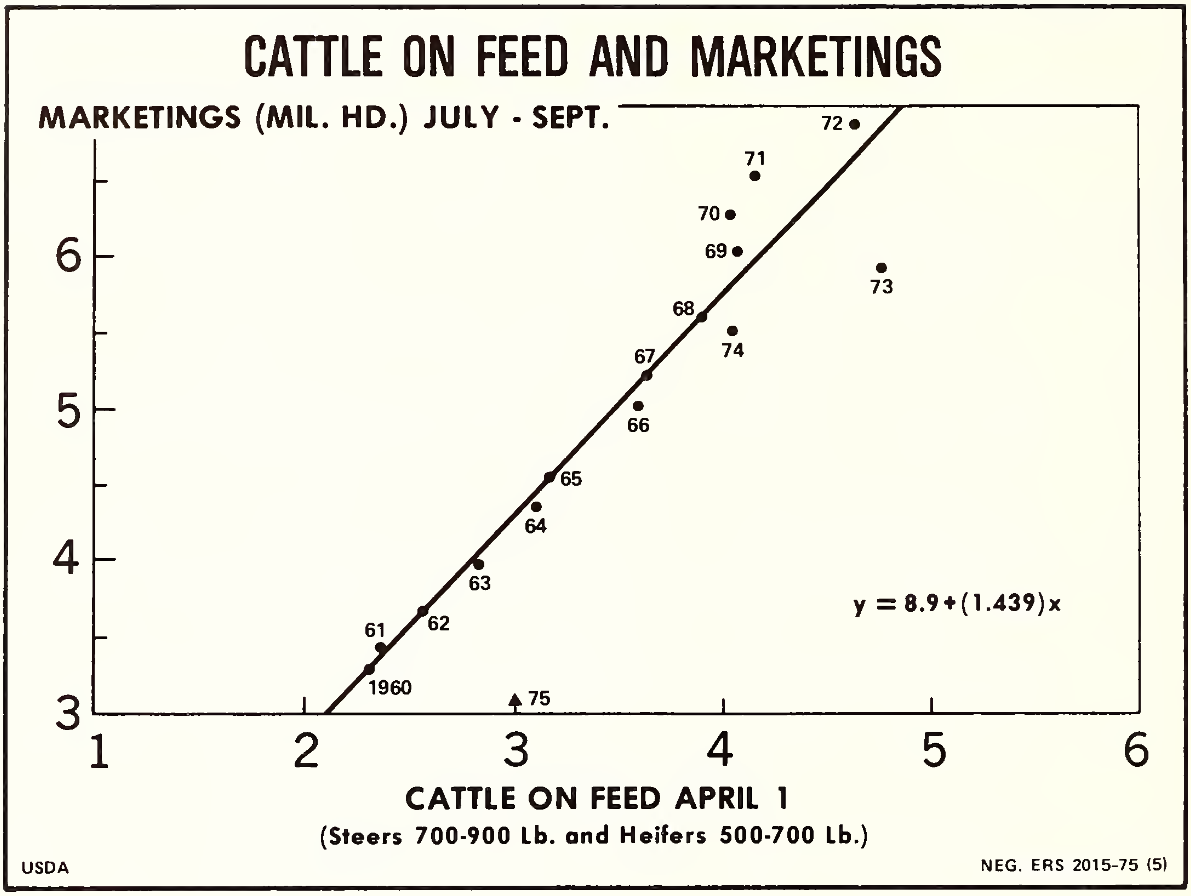
cows, but that pressure will begin to build again by misummer when grass becomes short. Ranchers in many areas may have turned cattle out on pastures and ranges earlier than usual this year because of the tight winter feed situation. Heavy grazing on new spring growth tends to reduce productivity of pastures later in the summer, even under ideal moisture conditions. High fertilizer costs in the southeastern U.S. probably will result in rather substantial cutbacks in pasture fertilization this year, considering depressed feeder cattle prices. This area could also run short of grass early in the season. Also, a record calf crop expected this year will add pressure to market last year's calves, many of which still remain on farms and ranches. Unless feedlot placements move much higher than now seems likely, these nonfed cattle will enter the slaughter market this summer and fall. Cow slaughter will also be increasing seasonally later this year.

Fed cattle marketings this summer likely will remain near the depressed spring level. Medium-weight cattle on feed on April 1 will supply some of this summmer's fed cattle. The historical relationship between steers weighing 700-900 pounds and heifers weighing 500-700 pounds in the inventory on April 1 and third quarter fed marketings is shown graphically on the following chart. Cattle in these weight groups on April 1 numbered only 3 million head, down 25 percent from last year. Based on normal placement and marketing patterns, this would suggest fed marketings this summer of only about 4 million head. But if placements rise slightly this spring as expected, and heavier than usual cattle are placed on feed, summer fed marketings could number around 5 million head for the 23 reporting States.

Rainfall, range and pasture conditions, and development of the grain crop this summer will be critical to the timing and magnitude of nonfed slaughter cattle supplies. Dry conditions would tend to increase the number of these cattle going to slaughter while ideal moisture conditions could delay this movement until fall. Any delayed movement would result in further price strength through early summer but then sharply lower prices in the fall when these cattle are marketed for slaughter. Sharp increases in placements of cattle on feed would also be a temporary price-strengthening factor in the cattle market.

Assuming normal summer weather and range conditions, nonfed slaughter will grow substantially this summer and fall and be larger than a year ago. Commercial cattle slaughter during July-September could total a record 10-10½ million head, up around 10 percent from last summer followed by a fall slaughter level in excess of 10½ million head, up around 6 percent from 1974. Continued light average weights will help hold down the beef supply some in the third quarter, but by fall the full year cycle of reduced average weights will have been run and average weights could begin to increase from year-earlier levels.

Fed cattle likely will continue to make up less than 60 percent of the slaughter supply through this year but fed marketings could increase by fall if



placements begin to pick up as expected this spring and summer.

Fed steers could average in the low to mid-$40's in the summer, followed by a fall average near $40 or below if the slaughter of cattle is as large as expected. Cow prices and feeder cattle prices will move in the same manner, but aren't likely to fall back to the depressed levels of last winter. If this year's feed grain harvest is large, feed prices would move lower and livestock-feed price ratios would be favorable for feeding this fall, even if fed cattle were to decline into the upper $30's or low $40's. With cheaper feed, profit margins for cattle feeders could be sufficient to encourage expansion in Corn Belt feedlots as an alternative to selling cash grain, and could attract

Utility cow prices per 100 pounds, Omaha

Month	1970	1971	1972	1973	1974	1975
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
January	20.93	19.98	22.61	26.67	31.45	16.82
February	22.18	20.98	23.80	31.43	32.65	18.18
March	23.24	22.03	24.73	33.90	31.76	19.45
April	23.23	21.48	24.70	33.59	30.49	21.67
May	22.64	22.30	25.51	34.26	27.67	23.55
June	22.58	22.03	26.00	33.09	26.39	
July	20.85	21.68	26.22	34.21	24.22	
August	20.48	21.72	26.18	37.56	24.54	
September	21.13	21.84	26.57	34.58	22.56	
October	20.84	22.30	26.19	33.68	19.68	
November	19.04	21.45	24.98	30.71	17.62	
December	18.77	21.64	25.02	30.10	17.67	
Average	21.32	21.62	25.21	32.82	25.56	

Feeder cattle prices per 100 pounds, Kansas City

Month	Choice feeder steers 600-700 lbs.			Choice feeder steer calves[1]		
	1973	1974	1975	1973	1974	1975
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	47.33	50.58	26.45	51.95	54.66	25.09
Feb.	50.98	47.95	26.96	56.10	54.45	26.29
Mar.	54.01	44.81	28.75	62.72	54.02	29.14
Apr.	51.82	44.15	31.69	60.42	50.30	31.45
May	54.55	40.14	35.50	62.59	45.48	34.66
June	54.85	35.10		62.42	39.96	
July	56.49	36.72		64.40	37.72	
Aug.	62.40	36.70		72.52	36.84	
Sept.	55.06	30.49		62.80	32.40	
Oct.	51.86	30.94		59.46	30.47	
Nov.	51.02	28.71		56.42	27.31	
Dec.	47.71	28.27		52.59	26.54	
Av.	53,17	37.88		60.36	40.84	

[1] 400-500 lbs.

capital once again to commercial feedlots in the Southwest. Excess feedlot capacity, large feeder cattle supplies, and more and cheaper feed grain are certainly some of the major prerequisites to a turnaround in the cattle feeding industry. Demand for feeder cattle could be substantial this fall if the feed crop is big. If this is the case, feeder cattle prices could strengthen some into the fall, running near $35 per 100 pounds and as high as $40 for preferred feeder cattle in some areas.

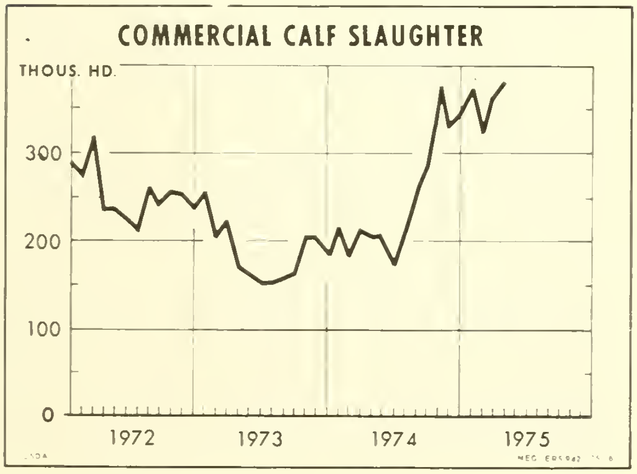
Possible Deviations

With almost half of the total slaughter supply coming from nonfed cattle which have a less specific timetable for marketing, slaughter supplies and prices could be unusually volatile and unsettled for the next several months and will be highly subject to weather and seasonal influences. Undue optimism or pessimism by cattle feeders or producers, for example, could generate reduced or increased slaughter supplies in the near-term.

Any conditions which tend to reduce slaughter this year will leave serious problems for the cattle market next year. The cattle herd is still growing because cow slaughter has not increased enough yet to stop the growth in the cow herd. Without a substantial stepup in cow slaughter during the second half of 1975, the 1976 calf crop will set another new record high for the tenth successive year. A sharp drop in feed grain prices by early summer and near optimum pasture conditions are two conditions which would tend to produce smaller slaughter supplies and high prices this summer. But poor weather would lead to higher grain prices and a huge movement of cattle to slaughter.

Calf Slaughter Large

Tight feed grain and roughage supplies, the high cost of weight gain, and continued restricted movement of cattle into feedlots, especially lightweight cattle, have resulted in substantial increases in calf slaughter during the second half of last year and so far in 1975. Commercial calf slaughter during January-March 1975 was over 1 million head, 74 percent more than the record low first quarter 1974 level and the largest first quarter slaughter since 1970.



Calf slaughter continued to run large (up 87 percent in April) through the spring and could increase further in the summer as feedlot demand remains low and calf supplies increase. Lower feed prices, reducing the cost of gain, are likely prerequisites to increasing the demand from feedlots for some of these lighter animals and reducing calf slaughter. Even if feed prices move lower later this year, the large and growing supply of lightweight animals likely will hold calf slaughter rates relatively high through yearend.

The sharp increase in calf slaughter last summer along with large beef output put severe downward pressure on calf prices. Choice grade vealers on the South St. Paul market, for example, fell in price from over $60 per 100 pounds in early 1974 to under $35 by yearend, the lowest since 1969. Higher fed cattle prices this spring pulled vealer prices up again, rebounding from about $37 in January to $50 in late April and early May. Vealer prices likely will move lower again with the fed cattle market this summer and fall.

Consumption Dips
Retail Prices Rise

A slight seasonal decline in domestic beef production in January-March from the October-December level was offset by a rise in beef imports, holding per capita beef consumption early this year at a record high quarterly rate of 30.3 pounds per person. This represents a 2-pound per person increase from the January-March 1974 level. Continued record supplies of beef, coupled with a normal seasonal decline in demand from fall to winter, caused retail prices to trend lower. The average composite retail price of Choice beef fell from an average $1.35 per pound in the fall quarter to $1.30 per pound in the winter. Retail beef prices in March fell to a 26-month low at nearly $1.27 per pound before turning higher in April. Retail beef and veal prices, as measured by the BLS consumer price index, averaged 11 percent lower than the year-earlier level during January-March.

But consumer prices for beef this spring are rising sharply and likely will continue upward through early summer before turning lower again. The seasonally reduced beef output this spring will reduce consumer beef supplies over a pound per person from the January-March record level. April-June beef consumption likely will total less than 29 pounds per person, about the same as a year ago. Retail beef prices in the second quarter likely will rise 6-10 percent from the first quarter. The average price per pound of Choice beef rose from a March average near $1.27 per pound to over $1.47 in mid-May.

Beef stocks in storage declined from February through April as prices fell. May 1 stocks of 350 million pounds were down 9 percent from April 1, and were 25 percent lower than the record levels of a year ago. Rapidly rising retail beef prices may result in some buildup of cold storage beef stocks by mid-year.

If cattle slaughter and beef production rise this summer and fall as expected, consumption rates will also increase to record levels in the third and fourth quarters and retail prices will trend lower. Continued sharp reductions in supplies of pork will cushion beef prices for most of the remainder of this year. Nevertheless, beef prices likely will average under the 1974 level through most of the second half of 1975. Per capita beef consumption this year looks as if it will exceed 1974's previous record of 117 pounds per person by 3-5 pounds. If this is the case, retail beef prices for all of 1975 may average slightly below the record 1974 level.

Beef Imports Up

Beef imports during first quarter 1975 totaled 475 million pounds (carcass weight), up 3 percent from a year earlier. All of the increase came from Australia and New Zealand. Imports from Canada and Latin America were down sharply. While imports were up 8 and 10 percent, respectively, in January and February, they were down 7 percent in March and 10 percent in April. Imports made up about 7½ percent of civilian beef consumption during the first quarter, slightly less than the first quarter 1974 level but more than the 6 percent in October-December 1974. Of the 30.3 pounds of beef consumed per person during January-March, about 2.3 pounds were imported.

Although imports rose during January-March, beef exports and shipments of 26 million pounds were nearly one-third below the 1974 level. However, this was about the same level as the previous 3 quarters.

The second quarterly estimate by the Secretary of Agriculture of 1975 meat imports subject to the Meat Import Law (primarily beef and veal) is 1,180 million pounds product weight, 9 percent more than in 1974 but still 13 percent less than the 1973 level. The 1975 estimate takes into consideration voluntary restraint agreements being negotiated by the Department of State with major supplying countries. In the absence of restraint programs, imports probably would exceed the 1,180 million pounds.

Japan and the European Community recently announced they will ease their restrictions on beef imports which will provide another outlet for Australian and New Zealand beef, though the actual quantity imported by these countries is expected to be small compared with recent years. Last year these countries placed an embargo on imports, leaving the U.S. as the only major importing country still accepting foreign beef.

Guaranteed Loans

A continuation of the profit squeeze experienced by domestic livestock producers has resulted in increased interest in the Emergency Livestock Credit Act. Total loan obligations assumed by the Farmers Home Administration through April 30 of this fiscal year exceeded $277 million. This figure covers 2,358 loans and surpasses the January 31 cumulative total by $126 million. The average loan value was about $117,000, down from the $120,000 average observed through the end of January, reflecting a greater increase in loan numbers than in the total amount loaned.

A breakdown by livestock enterprises shows that beef cattle operations continue to account for the majority of all guaranteed loans with approximately 68 percent of the number and 75 percent of total loan volume. Intergrated livestock operations accounted for the next largest percentage of loan obligations with 16 percent of the number and 15 percent of the volume.

An analysis of the use of loan funds reveals that approximately $190 million, or 68 percent of all obligations assumed under the Act, were for the purpose of refinancing existing debts. Operating loans accounted for $46 million in loan funds while loans for the purchase of livestock accounted for $36 million. A similar distribution of loan funds was observed for the individual livestock enterprises surveyed.

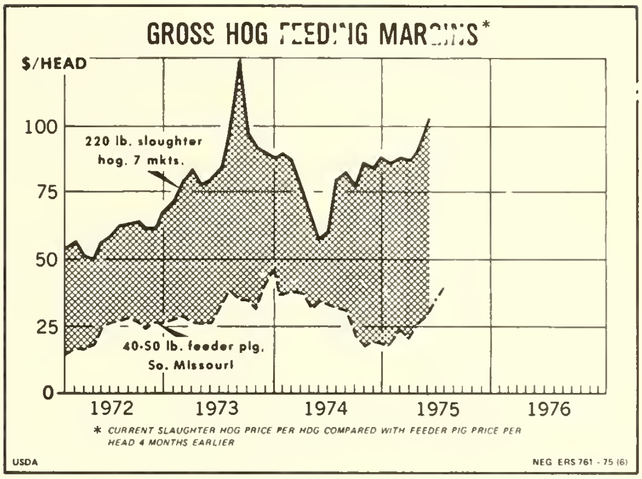
Demand for loans for the purchase of livestock appears to be increasing. Data tabulated by the Farm Credit Administration shows that the number of PCA loans (approved loans exceeding $25,000) for the purchase of livestock and poultry ended a 6-month decline in February when livestock loans accounted for only 3.9 percent of total PCA loans. This figure increased to 5.0 percent in March. In September of 1974, when tabulation of the series began, livestock and poultry loans accounted for 11.6 percent of all PCA loans.

Continued concern for the economic viability of the livestock industry has prompted Congress to amend the 1974 Emergency Livestock Credit Act. Amendments to the Act extend the termination date from July 25, 1975 to December 31, 1976. Also, the amount of the principal and interest that the Secretary may guarantee is increased from 80 percent to 90 percent. The period of time for loan repayment was extended from a period not to exceed 3 years with a renewal of not more than 2 additional years to a period not in excess of 7 years. The amendments also change the amount of loans which may be guaranteed under the Act from total loans not to exceed $250,000 to a line of credit or total principal balance not to exceed $350,000.

HOGS

Hog farmers this year are more fortunate than cattlemen in that they can and have quickly adjusted inventories and pig crops in line with the reduced feed grain supply which will prevail until this fall's harvest. The sharp reductions in hog slaughter have resulted in higher prices and better returns for most hog feeders, especially those farmers with farrow-to-finish operations.

After a period of favorable returns, hog farmers likely will be more anxious to expand production. That opportunity, or the lack of it, lies largely in the size of the 1975 corn crop and resulting corn prices. If this year's crop is small again, and prices remain high, or rise further, hog inventories and production will continue smaller for another year. This year's corn crop is by no means assured yet, but a potentially big crop, with corn prices moving lower by fall, could result in sizable increases in the 1976 spring pig crop. In this event, the advantage hog farmers have in rapid adjustments could become a disadvantage when the adjustment is in expanding numbers.



* CURRENT SLAUGHTER HOG PRICE PER HOG COMPARED WITH FEEDER PIG PRICE PER HEAD 4 MONTHS EARLIER

Gross hog feeding margins[1]

Year	Hogs 7 markets	Feeder pigs So. Missouri	Margins
	$ per head	*$ per head*	*$ per head*
1972			
January	54.65	14.34	40.31
February	56.34	16.94	39.40
March	51.83	16.62	35.21
April	50.36	18.33	32.03
May	55.70	24.69	31.01
June	58.83	26.25	32.58
July	62.85	26.94	35.91
August	63.49	27.63	35.86
September	64.02	26.63	37.39
October	61.80	24.56	37.24
November	61.14	26.50	34.64
December	67.72	26.00	41.72
1973			
January	71.59	27.85	43.74
February	79.71	28.63	51.08
March	83.89	26.50	57.39
April	78.23	25.56	52.67
May	79.97	26.38	53.59
June	84.81	33.60	51.21
July	102.61	38.69	63.92
August	124.70	34.97	89.73
September	96.34	34.81	61.53
October	92.66	31.90	60.76
November	90.13	40.81	49.32
December	87.54	45.50	42.04
1974			
January	89.30	36.75	52.55
February	87.41	38.25	49.16
March	76.74	37.10	39.64
April	67.14	32.33	34.81
May	57.40	34.70	22.70
June	60.28	33.25	27.03
July	79.88	32.50	47.38
August	82.87	32.18	50.69
September	78.74	22.10	56.64
October	85.58	17.31	68.27
November	84.35	20.31	64.04
December	87.85	19.44	68.41
1975			
January	85.65	18.75	66.90
February	87.14	24.10	63.04
March	86.94	21.13	65.81
April	89.52	25.75	63.77
May	102.17	30.10	72.07

[1] Current 220 lb. Slaughter Hog compared with a 40-50 lb. Feeder Pig purchased 4 months earlier.

Pork Supplies Fall

Slaughter hog supplies during the first half of 1975 are reflecting the substantial liquidation of breeding stock last summer and the subsequent sharp reductions in pig crops. January-March commercial hog slaughter of 18.8 million head dipped 7 percent below the year-earlier level, largely reflecting the 7-percent reduction of heavyweight market hogs in the inventory reported on farms last December 1. Reduced average weights of slaughter hogs resulted in a 10-percent decline in pork production during the winter months. These hogs were mostly from pigs born last summer when sow liquidation first began.

Pork supplies during April-June are coming from pigs born during the fall months. September-November 1974 farrowings were reduced 10 percent from the year-earlier level and this cut was largely responsible for the 15 percent reduction in heavyweight market hog inventories on March 1 in 14 States. Commercial hog slaughter in April was down only 7 percent, but much sharper cuts occurred in May. April-June slaughter will likely total about 18.3 million head, only 2 percent smaller than in the winter but 13 percent below last year's level. Continued reductions in the average weight of slaughter hogs from the exceptionally heavy weights of a year ago likely will reduce commercial pork production during April-June 15 percent or more from last year.

Table 5—Corn Belt Hog Feeding[1]

Selected costs at current rates[2]

Purchased during Marketed during	Mar. July	Apr. Aug.	May Sept.	June Oct.	July Nov.	Aug. Dec.	Sept. Jan. 75	Oct. Feb.	Nov. Mar.	Dec. Apr.	Jan. 75 May	Feb. June	Mar. July	Apr. Aug.	May Sept.
	Dollars per head	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*	*Dollars per head*
Expenses															
40 lb. feeder pig	32.50	32.18	22.10	17.31	20.31	19.44	18.75	24.10	21.13	25.75	30.10	35.75	39.75	43.05	44.00
Corn (11 bu.)	29.37	26.29	27.06	28.60	32.78	37.29	36.19	38.39	36.30	36.08	33.66	31.46	29.59	29.48	29.26
Protein supplement (130 lb.)	14.43	13.52	12.42	11.96	12.48	15.80	13.98	15.60	15.14	14.56	13.84	13.06	12.74	13.06	12.87
Labor & management (1.3 hrs.)	5.88	5.98	5.98	5.98	6.14	6.14	6.14	6.38	6.38	6.38	6.45	6.45	6.45	6.45	6.45
Vet medicine[3]	1.30	1.33	1.34	1.34	1.36	1.40	1.42	1.43	1.45	1.45	1.46	1.46	1.45	1.47	1.49
Interest on purchase (4 mo.)	1.03	1.13	.77	.61	.71	.68	.66	.84	.74	.90	1.05	1.25	1.39	1.43	1.47
Power, equip, fuel, shelter, depreciation[3]	3.16	3.24	3.25	3.27	3.30	3.40	3.44	3.47	3.51	3.53	3.55	3.54	3.53	3.58	3.61
Death loss (4% of purchase)	1.30	1.29	.88	.69	.81	.78	.75	.96	.85	1.03	1.20	1.43	1.59	1.72	1.76
Transportation (100 miles)	.44	.46	.46	.46	.46	.46	.46	.48	.48	.48	.48	.48	.48	.48	.48
Marketing expenses	1.10	1.10	1.10	1.10	1.12	1.12	1.12	1.12	1.12	1.12	1.14	1.14	1.14	1.14	1.14
Miscellaneous & indirect costs[3]	.33	.33	.33	.33	.34	.35	.35	.36	.36	.36	.36	.36	.36	.37	.37
Total	90.84	86.85	75.69	71.65	79.81	86.86	83.26	93.13	87.46	91.64	93.29	96.38	98.47	102.23	102.90
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
Selling price/cwt. required to cover feed and feeder costs (220 lb.)	34.68	32,73	27.99	26.30	29.80	32.97	31.33	35.50	32.99	34.72	35.28	36.49	37.31	38.90	39.15
Selling price/cwt. required to cover all costs (220 lb.)	41.29	39.48	34.40	32.57	36.28	39.48	37.85	42.33	39.75	41.65	42.40	43.81	44.76	46.47	46.77
Feed cost per 100 lb. gain	24.33	22.12	21.93	22.53	25.14	29.49	27.87	29.99	28.58	28.13	26.39	24.73	23.52	23.63	23.41
Barrows and gilts 7 markets/cwt.	36.31	37.67	35.79	38.90	38.34	39.93	38.93	39.61	39.52	40.69	46.44				
Net margin/cwt.	-4.98	-1.81	+1.39	+6.33	+2.06	+0.45	+1.08	-2.72	-.23	-.96	-4.04				
Prices															
40 lb. feeder pig (So. Missouri)	32.50	32.18	22.10	17.31	20.31	19.44	18.75	24.10	21.13	25.75	30.10	35.75	39.75	43.05	44.00
Corn[4]/(bu.)	2.67	2.39	2.46	2.60	2.98	3.39	3.29	3.49	3.30	3.28	3.06	2.86	2.69	2.68	2.66
29% protein supplement[5]/cwt.	11.10	10.40	9.55	9.20	9.60	12.15	10.75	12.00	11.65	11.20	10.65	10.05	9.80	10.05	9.90
Labor and management[6]/hr.	4.52	4.60	4.60	4.60	4.72	4.72	4.72	4.91	4.91	4.91	4.96	4.96	4.96	4.96	4.96
Interest rate (annual)	9.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.00	10.00
Transportation rate (/cwt. 100 miles)[7]	.20	.21	.21	.21	.21	.21	.21	.22	.22	.22	.22	.22	.22	.22	.22
Marketing expenses[8]	1.10	1.10	1.10	1.10	1.12	1.12	1.12	1.12	1.12	1.12	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	549	562	564	568	573	590	599	603	610	613	617	615	612	621	627

[1] Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. [2] Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. [3] Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. [4] Average price received by farmers in Iowa and Illinois. [5] Average prices paid by farmers in Iowa and Illinois. [6] Assumes an owner-operator receiving twice the farm labor rate. [7] Converted to cents/cwt. from cents/mile for a 44,000 pound haul. [8] Yardage plus commission fees at a midwest terminal market.

Table 6—Pork supplies and prices

Year	Estimated commercial slaughter[1]				Average dressed weight	Commercial production	Per capita consumption[2]	Prices	
	Barrows and gilts	Sows	Boars	Total				Retail	Barrows and gilts 7 markets
	1,000 head				*Lb.*	*Mil lb.*	*Lb.*	*Cents per lb.*	*$/cwt*
1971: I	22,812	1,270	174	24,256	151	3,671	18.3	69.2	17.60
II	21,938	1,452	220	23,610	156	3,678	17.8	68.8	17.33
III	20,524	1,570	214	22,308	154	3,441	18.0	71.3	19.27
IV	22,499	1,563	202	24,264	157	3,816	18.9	71.9	20.06
Year	87,773	5,855	810	94,438	155	14,606	73.0	70.3	18.45
1972: I	21,029	1,053	178	22,260	157	3,503	17.7	79.0	24.67
II	20,055	1,135	199	21,389	158	3,386	16.6	79.9	25.00
III	17,943	1,305	193	19,441	158	3,064	15.8	86.1	28.85
IV	19,944	1,495	178	21,617	162	3,507	17.3	87.7	28.89
Year	78,971	4,988	748	84,707	159	13,460	67.4	83.2	26.67
1973: I	18,949	1,080	195	20,224	161	3,262	16.0	98.1	35.63
II	18,274	998	206	19,478	163	3,178	15.4	103.1	36.82
III	15,482	1,190	203	16,875	165	2,791	14.0	121.8	49.04
IV	18,842	1,195	181	20,218	166	3,347	16.2	116.1	40.96
Year	71,547	4,463	785	76,795	164	12,578	61.6	109.8	40.27
1974: I	18,887	1,075	187	20,149	168	3,378	16.7	115.2	38.40
II	19,659	1,174	181	21,014	168	3,531	17.2	99.3	28.00
III	17,699	1,802	204	19,705	165	3,243	16.1	107.4	36.59
IV	19,124	1,588	182	20,894	164	3,431	16.6	111.0	39.06
Year	75,369	5,639	754	81,762	166	13,583	66.6	108.2	35.12
1975: I	17,707	886	162	18,755	162	3,044	15.0	114.4	39.35
II									
III									
IV									
Year									

[1] Classes estimated. [2] Total including farm production.

Although first half 1975 hog slaughter will be the smallest since 1966, hog prices increased very little until early May. From October last year through April, barrows and gilts at 7 markets sold mostly between $38-$40 per 100 pounds as large beef supplies and the depressed cattle market held off price rises in the hog market. By early May, however, seasonally reduced beef output, further declines in pork supplies, and sharply higher cattle prices helped push hog prices higher. Market hog prices rose nearly $6 per 100 pounds from late April to early May, paralleling rises in the fed cattle market. Most of this price strength was sustained through May, with barrows and gilts averaging almost $46.50 per 100 pounds, the highest May price on record and the highest for any month since August 1973. Barrows and gilts during April-June quarter likely will average near $45 per 100 pounds, up $6 from January-March and $17 higher than the depressed level of a year ago. Market hogs sold under $24 in June 1974.

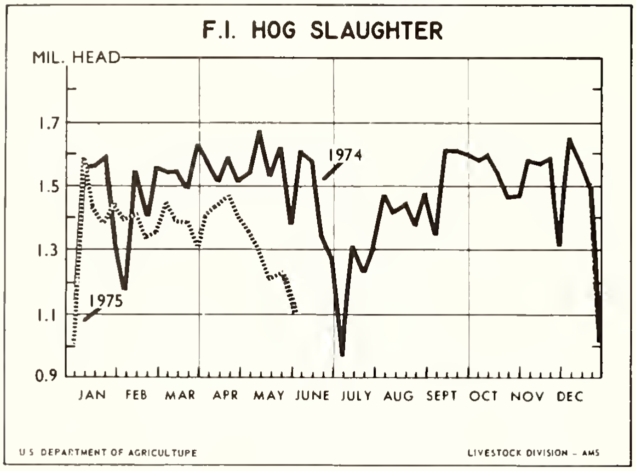
Hog prices per 100 pounds, 7 markets[1]

Month	Barrows and gilts			Sows		
	1973	1974	1975	1973	1974	1975
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	32.54	40.59	38.93	26.39	33.93	35.01
Feb.	36.23	39.73	39.61	31.22	34.21	36.52
Mar.	38.13	34.88	39.52	34.47	31.42	36.58
Apr.	35.56	30.52	40.69	32.33	26.60	37.00
May	36.35	26.09	46.44	32.46	21.52	41.12
June	38.55	27.40		33.87	21.37	
July	46.64	36.31		40.56	28.12	
Aug.	56.68	37.67		50.62	29.66	
Sept.	43.79	35.79		40.34	29.04	
Oct.	42.12	38.90		37.66	33.39	
Nov.	40.97	38.34		36.14	33.57	
Dec.	39.79	39.93		32.53	33.78	
Av.	40.27	35.12		35.94	29.92	

[1] Average for all weights at Midwest markets.

Slaughter Reductions to Continue

Summer hog slaughter will come largely from the December-February pig crop which reflects the full impact of the sow liquidation last summer. In March, hog farmers in the 14 States indicated they had reduced this crop by 20 percent. Considering a similar but slightly smaller reduction in the pig crop in other States, hog slaughter this summer could be down 16-18 percent, totaling 16-16½ million head. With about 94 percent of these hogs slaughtered under Federal inspection, weekly slaughter rates during July-September will be the lowest of the year and could average 1.1-1.2 million head, compared with 1.4 million head per week last summer.



U.S. DEPARTMENT OF AGRICULTURE

LIVESTOCK DIVISION - AMS

The cattle market will have a strong influence on hog prices this summer, but unless fed cattle prices fall more than now seems likely, market hogs could top $50 in the Midwest during the third quarter and could average near $46, exceeded only by the $49 average in the summer of 1973.

The feed grain market this summer also will have a bearing on hog slaughter and prices. The development of this year's corn crop will determine when and if hog farmers gear up for expansion. If prospects for a record corn crop develop by August, it could result in feed prices moving lower and encourage producers to withhold sows and gilts for breeding. This withholding would further reduce summer slaughter and raise hog prices. Any major expansion, however, likely will be delayed until fall when feed crops are harvested. Farmers typically do not make large shifts in production plans until after the new crop feed supply is known.

Although hog slaughter this fall likely will increase from the summer level, the seasonal increase will be less than usual and October-December hog slaughter still will continue to run 15-20 percent below year-earlier levels. Most of these hogs will come from the March-May pig crop. Last March farmers in 14 States planned to reduce farrowings by 21 percent for this pig crop. More information on the size of this pig crop will be available in SRS' Hogs and Pigs report to be released on June 23.

With continued sharp reductions in slaughter, hog prices should remain firm through the fall months, with the seasonal decline in prices from summer peaks being less than usual. Lower fed cattle prices expected this fall, however, will be a price depressing factor in the hog market. Barrows and gilts at 7 markets this fall could average in the range of $43-$45 per 100 pounds.

Retail Pork Prices to Rise

Per capita pork consumption during January-March totaled about 15 pounds per person, down over 1½ pounds from fourth quarter and year-earlier levels. The first quarter reduction in domestic production was primarily responsible for the decline, although pork imports were down 18 percent while pork exports were nearly double the year-earlier level. Pork consumption during April-June may be down fractionally from the first quarter level but could fall nearly 2½ pounds per person below the spring 1974 total.

As pork production and consumption declines seasonally and from year-earlier levels, retail prices will continue to rise through midyear. The composite price per pound of pork averaged $1.11 during October-December, rose to $1.14 in January-March, and by mid-May advanced to over $1.20 per pound. Retail prices have been advancing rather steadily since June 1974 when the average price fell to a 17-month low of $.94 per pound. Retail prices likely will continue to rise through early summer when per capita pork supplies are expected to fall to about 13 pounds per person, 3 pounds less than last year. Barring any unusual disturbances in the market, however, retail pork prices are not expected to top the record $1.32 per pound of August 1973 when retail price controls were removed from pork products.

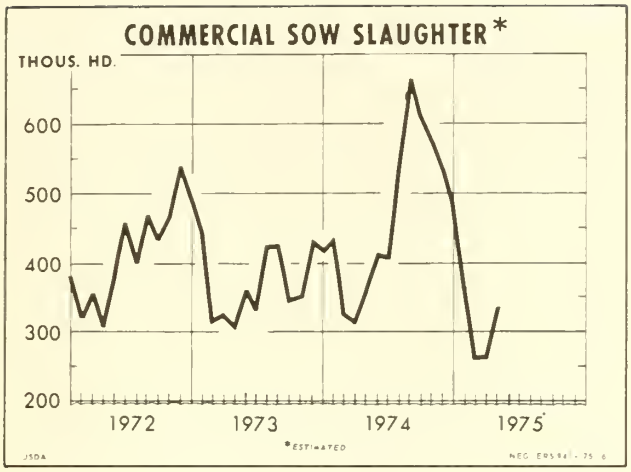
Tight pork supplies have been moving into consumption rather freely despite rising prices. Cold storage pork stocks held at about 300 million pounds from January 1 through April 1, then increased 14 percent on May 1. Pork stocks on May 1 at 341 million pounds were about 15 percent less than the unusually high level of a year ago, but still 37 percent more than 2 years ago.

Although potentially record beef supplies later this year could be a price restraining force for all meats, retail pork prices likely will remain above year-earlier levels for the rest of 1975 and could average the highest on record, up 10-15 percent from the 1974 level. Per capita pork supplies of 56-58 pounds in 1975 are likely the smallest since 1937.

More Hogs Ahead

Higher hog prices and stable corn prices have improved feeding margins during recent weeks. Although most hog farmers are able to cover their cost of production with some profits, plans for expansion are still apparently being delayed. Sow slaughter during January-March was down about 17 percent from the year-earlier level but this reduction only reflected the smaller inventory of breeding hogs on hand. April sow slaughter only fell about 6 percent from last year. Sow slaughter would probably be cut 30-50 percent if there were any significant withholding for expansion. The hog-corn price ratio (Omaha basis) in mid-May at 16 to 1 was the highest since the fall of 1973.

Nevertheless, current strength in hog prices and continued favorable prospects for the months ahead likely will temper any further sharp reductions in



farrowings this fall. Last March farrowing intentions for 14 States suggested a 17-percent cut was planned for June-August. It does not appear likely that the 1975 June-November pig crop will be reduced by this much. The June Hogs and Pigs report will provide information on fall farrowing intentions.

Hog-corn price ratio, Omaha basis

Month	1971	1972	1973	1974	1975
January	11.0	19.7	21.5	14.8	12.6
February ...	13.2	20.6	23.3	13.4	14.1
March	11.6	19.0	25.4	12.5	14.3
April	11.3	18.2	23.4	12.1	14.1
May	11.8	19.7	19.5	10.2	16.4
June	12.2	21.5	16.9	10.0	
July	13.9	22.8	19.9	11.2	
August	15.1	23.5	20.8	10.5	
September ..	16.3	22.6	18.4	10.3	
October	17.2	21.8	17.8	10.6	
November ..	16.7	20.6	16.9	11.0	
December ..	16.6	20.5	15.7	11.8	
Average ...	13.6	20.6	19.3	11.6	

The fall pig crop will supply the bulk of first half 1976 slaughter supplies, so continued reductions in pork production seem likely until well into 1976, keeping hog prices up. If this year's corn crop is large enough to induce farmers to withhold more gilts for breeding and thus expand the pig crop this winter, first quarter 1976 slaughter supplies could be the lowest and prices the highest of the year.

Given the tight corn supply which will prevail until this fall, the corn market should remain strong and volatile. Hog farmers who raise their own feed are not likely to commit themselves to more hogs until this year's crop is assured and corn prices move lower. Any significant withholding of slaughter weight females for breeding purposes likely will not begin prior to late summer. With a 4-month gestation period, farrowings could begin to increase from year-earlier levels with the December-February pig crop, followed by further, sharper increases in March-May. This points to more slaughter hogs in the last half of next year.

Feeder Pig Prices Up

Smaller pig crops, higher market hog prices, stable feed grain prices, and the generally favorable price outlook have all helped to strengthen feeder pig prices. During the past 12 months feeder pigs on southern Missouri markets have risen from about $17 per head in June 1974 to $46 per head in early May 1975. Even further increases are possible in the next several weeks if corn prices remain steady and market hog prices remain high. Feeder pigs purchased in May at $46 and corn at $2.75 per bushel will probably require market hog prices in excess of $40 per 100 pounds just to cover feed and feeder pig expenses when sold later this year. Narrowing feeding margins will dampen price rises in the feeder pig market until corn prices move lower. If this year's corn crop is large enough to significantly reduce corn prices later this year, and if the fall pig crop continues lower as expected, the demand for feeder pigs late this year could be substantial, further bolstering feeder pig prices. The prospects for a strong feeder pig market could encourage expansion plans for the 1976 spring pig crop.

Sow prices also have been reflecting the higher slaughter hog market and small supply. Sows on the Omaha market were selling near $42 per 100 pounds in late May, about $20 above a year ago and the highest since peaks of over $50 in the summer of 1973.

SHEEP AND LAMBS

Commercial slaughter of sheep and lambs in 1975 continues to decline from year-earlier levels, extending an established trend of decreasing industry activity of several years in duration. Commercial slaughter for January-March was 1.9 million head, down 11 percent from last year. Spring slaughter will reflect little change from the first 3 months of the year, and will also be down about 10-12 percent from April-June 1974. The combined first half total of around 3.8 million head will be the lowest recorded to date.

Commercial production of lamb and mutton during January-March totaled 101 million pounds, down 16 percent from year-earlier levels. Lower average liveweights, as well as the reduction in the number slaughtered, accounted for the lower production. Average liveweight of 106 pounds this year compares with 110 pounds liveweight in the first quarter of last year. The reduction in weights reflects increased feed costs as the majority of marketings during January-March are fed lambs. As spring or milk-fat lambs account for a greater percentage of total marketings

Table 7—Lamb supplies and prices

	Commercial slaughter[1]			Average dressed weight	Commercial production	[2]Per capita consumption	Retail	Prices		
								San Angelo		Farm
	Lambs and yearlings	Sheep	Total					Choice slaughter	Choice feeder	
	1,000 head	*1,000 head*	*1,000 head*	*Lb.*	*Mil. lb.*	*Lb.*	*Cents per lb.*	*Dollars per/cwt*	*Dollars per/cwt*	*Dollars per/cwt*
1971										
I	2,586	140	2,726	54	145	0.8	106.5	25.41	25.60	24.17
II	2,365	265	2,630	51	133	.8	108.3	29.60	26.62	27.30
III	2,424	247	2,671	49	129	.8	111.8	27.63	25.13	26.80
IV	2,497	206	2,703	51	137	.7	112.2	26.00	26.11	25.33
Year	9,872	858	10.730	51	544	3.1	109.7	27.16	25.86	25.90
1972										
I	2,544	116	2,660	54	142	.8	114.6	29.29	29.44	27.93
II	2,330	170	2,500	52	130	.9	116.9	32.92	31.45	29.90
III	2,328	202	2,530	49	124	.9	121.2	31.42	29.71	30.23
IV	2,396	214	2,610	53	137	.7	122.6	29.18	30.36	28.17
Year	9,598	702	10.300	52	533	3.3	118.8	30.70	30.24	29.10
1973										
I	2,240	76	2,316	54	126	.7	130.6	38.65	38.70	35.70
II	2,164	205	2,369	54	127	.7	134.0	38.22	37.37	34.97
III	2,237	305	2,542	51	128	.7	139.7	38.36	35.90	36.77
IV	2,116	254	2,370	52	123	.6	132.7	37.55	36.69	33.90
Year	8,757	840	9,597	53	504	2.7	134.3	38.20	37.17	35.10
1974										
I	2,082	108	2,190	54	119	.6	137.6	40.21	37.29	38.17
II	1,972	140	2,112	52	109	.6	139.7	45.25	40.21	40.80
III	2,214	199	2,413	49	118	.6	152.3	38.85	31.42	36.30
IV	1,991	141	2,132	51	108	.5	153.3	37.36	34.81	34.70
Year	8,259	588	8,847	51	454	2.3	145.7	40.42	35.93	37.49
1975										
I	1,877	66	1,943	52	101	.5	156.0	41.35	35.60	38.30
II										
III										
IV										
Year										

[1] Classes estimated. [2] Total, including Farm Production.

this spring and summer, liveweight should also decline seasonally from winter. However, seasonal reductions in average weights this year between fed lambs marketed during the winter months and spring lamb marketings are expected to be less than last year when carcass weights dropped about 4 pounds from the first to the second quarter.

Commercial production for the first half of 1975 may total approximately 200 million pounds, a reduction of about 12 percent from 1974 first half totals and the lowest January-June production on record.

Current lows in production have contributed to strengthening lamb prices. Choice spring lambs for slaughter averaged over $41 at San Angelo during January-March and seasonal price gains likely will push second quarter averages near $46-$48 per hundredweight as cattle prices reach a seasonal peak. Prices for spring lambs peaked in late April and May with most markets topping $48 as marketings began in volume.

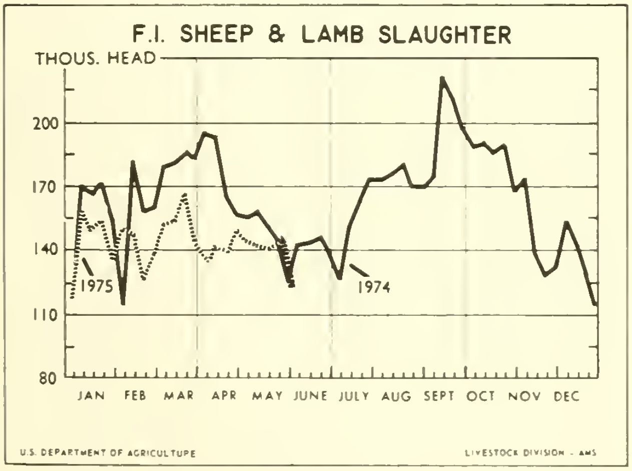
Choice lamb prices per 100 pounds, San Angelo

Month	Slaughter lambs			Feeder lambs		
	1973	1974	1975	1973	1974	1975
	Dol.	*Dol.*	*Dol.*	*Dol.*	*Dol.*	*Dol.*
Jan.	35.75	39.50	38.25	34.30	39.55	34.12
Feb.	36.50	40.75	39.31	37.06	38.12	35.31
Mar.	43.69	40.38	46.50	44.75	34.19	37.38
Apr.	39.50	42.25	46.65	40.75	41.56	43.65
May	36.70	47.25	47.62	36.05	42.00	43.00
June	38.46	46.25		35.31	37.08	
July	37.31	37.94		34.50	31.25	
Aug.	39.42	42.50		38.40	32.58	
Sept.	---	36.12		34.81	30.41	
Oct.	36.00	35.25		35.65	31.75	
Nov.	38.33	37.58		36.67	36.25	
Dec.	38.33	39.25		37.75	36.42	
Av.	38.20	40.42		37.17	35.93	

A strong slaughter lamb market this spring has contributed to significant price gains for feeder lambs. San Angelo market quotations were at peak levels during mid-April with Fancy feeders bringing $45 and Choice $44.25. First quarter Choice feeder lamb prices averaged $35.60 at San Angelo. Seasonal gains in prices likely will yield a second quarter average near $42-$43. Marketings of feeder lambs are strongly seasonal with the peak period coming between June and November. Pricing patterns depict increased marketings with prices ebbing lower through summer and late fall before rebounding during the winter and early spring months. With prospects for a good feed grain harvest this year, lower feed prices could result in an upturn in feeder prices sooner than that indicated by the established seasonal pattern. This would mean a narrower margin between feeder and slaughter lamb prices during the summer and fall months.

Slaughter to Increase Seasonally

Sheep and lamb marketing and slaughter follow a rather distinct seasonal pattern. Such seasonal movements account for most month-to-month production and pricing differentials. Spring lamb marketings follow the same seasonal pattern as feeder lambs with the bulk of marketings occurring between June and November. Late summer and early fall marks the last volume marketings of spring lambs when those from the higher elevations of the Mountain States are sold for slaughter. As the marketing season for spring lambs progresses, sheep slaughter increases with less productive breeding animals being culled as lambs are marketed. This contributes to a peak slaughter period generally observed in October.



Commercial slaughter of sheep and lambs during the third quarter of the year is expected to rise in a normal seasonal pattern and may run about 10 percent over the second quarter but 12-14 percent below the summer of 1974. Fourth quarter slaughter is expected to decline seasonally to approximately 2 million head. This compares with 2.1 million head slaughtered during the fourth quarter 1974. Commercial sheep and lamb slaughter this year should total approximately 8 million head, a record low and down 9 percent from the 8.8 million head slaughtered in 1974.

Prices to Decline

As slaughter rates increase seasonally, prices likely will trend lower through the remainder of 1975. Third quarter prices could average near $41-$43 per 100 pounds. Further price erosion through the fourth quarter is expected to yield a quarterly average near $40-$42, the lowest 3-month average for the year. Also, expected lower cattle prices in the fourth quarter may dampen slaughter lamb prices. October-December Choice steer prices are expected to average between $39 and $41 per 100 pounds.

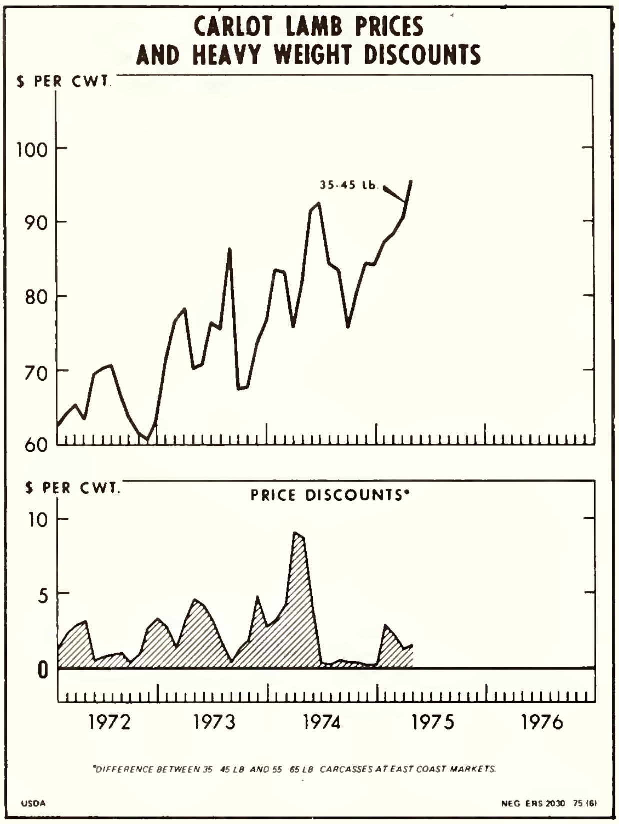
Composition of Slaughter to Change Seasonally

Slaughter lamb marketings during the fourth quarter of the year will primarily be fed lambs. As milk-fat lamb marketings decline in October and November, fed lamb marketings increase and become the dominant source of slaughter. With the seasonal change in the composition of marketings, average liveweights and carcass weights normally increase. This trend toward heavier market weights usually continues in the winter, from November through March, at which time milk-fat lambs once again are marketed in volume.

Seasonal discounts for heavyweight lambs (mostly those above 110 pounds) normally result. Heavy carcasses often carry larger amounts of waste fat and a correspondingly smaller percentage of saleable retail cuts and are thus discounted at wholesale. Carcass discounts through the first quarter of this year, a period of relatively high feed grain prices, were considerably smaller than those observed for the same period of 1974. In early 1974 Choice and Prime 55-65 pound carcasses at Chicago were discounted as much as $14 per 100 pounds under price quotations for 30-45 pound carcasses. This compares with $1-$2 discounts earlier this year with most wholesale trade confined to East and West Coast markets. A big feed crop this fall with cheaper feed grain prices could result in larger discounts on heavy carcasses this fall than was the situation earlier this year.

Retail Prices and Consumption

Prices at retail for Choice lamb continued to exceed those received for Choice beef and pork. The composite retail price for Choice lamb averaged $1.56 per pound during the first quarter of the year. In comparison, Choice beef products averaged $1.29 per pound while pork prices averaged $1.14. Retail prices of lamb generally reflect little of the short-term



responsiveness to changing demand and supply conditions apparent at the wholesale or farm levels. Movement of retail prices is expected to be generally upward, which will serve to ration a generally decreasing supply.

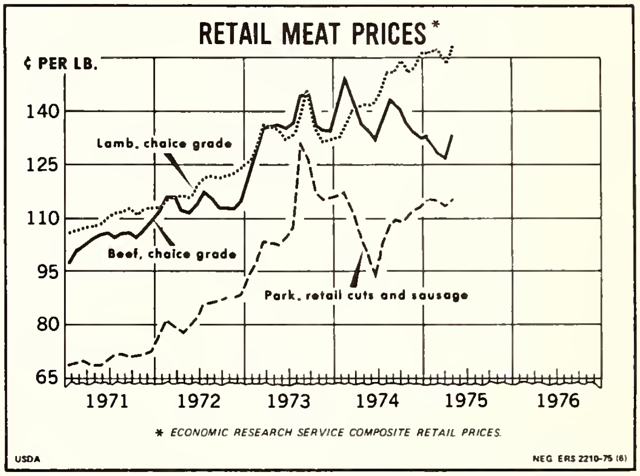
Per capita consumption of lamb and mutton continues to decline. Consumption averaged only .5 pound per person during the first quarter of the year, compared with .6 during January-March 1974. Little change in comsumption is expected for the second quarter unless lamb imports rise. With the seasonal increase in production expected during the third quarter, per capita consumption could total .6 pound, then decline again to about ½ pound during October-December. This would yield an annual consumption total of 2.1-2.2 pounds per person, down about a tenth of a pound from 1974.

MEAT CONSUMPTION AND PRICES

Red meat consumption during January-March totaled 46.7 pounds per person, down about 1½ pounds from the fourth quarter 1974, but still about ½ pound more than the first quarter of 1974. Increases in beef and veal more than offset declines in pork and lamb consumption this winter compared with a year earlier.

First quarter commercial red meat production rose about 2 percent from a year earlier to total 9.1 billion pounds. January-March meat imports fell 15 million pounds, about 2 percent under last year, but this was more than offset by a 32-million pound drawdown in cold storage stocks during January-March. Of the 46.7 pounds per person consumption during January-March, about 3 pounds were of foreign origin. First quarter red meat exports at 94 million pounds were up 20 percent from last year and all of the increase was pork.

While consumer prices for all items averaged 11 percent higher than a year earlier during January-March, meat prices as measured by the Bureau of Labor Statistics consumer price index were 7 percent lower. Meat prices generally declined from September 1974 through March this year, falling 4 percent, before rising fractionally in April.



Further, sharper increases in meat prices are in prospect through early summer as recent increases in live animal prices are more fully reflected at retail. Sharp reductions in pork supplies coupled with a seasonal decline in beef output will reduce total meat supplies from the winter and year-earlier level. Per capita meat consumption this spring likely will total just under 45 pounds per person, the smallest quarterly rate since the summer of 1973. Meat prices likely will average 6-8 percent higher this spring than in the winter and be at the highest level in over a year.

If beef production begins to increase seasonally from spring to summer as expected, offsetting continued sharp reductions in pork, meat prices during the summer could stabilize near the higher spring level but still average higher than last summer. Record consumption of beef expected during July-September may not completely offset reduced pork consumption. Red meat consumption during the third quarter could total just over 45 pounds per person, up slightly from the second quarter but still 1½ pounds less than the 1974 third quarter. Retail meat prices this summer could top the previous record set in the summer of 1973 and rises from the second quarter to the third quarter could be steeper if the

Table 8—Per capita meat consumption by quarters[1]

Year	Carcass weight					Retail weight				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
	Pounds	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
Beef										
1969	27.2	26.7	28.6	28.3	110.8	20.2	19.7	21.2	20.9	82.0
1970	28.3	27.9	29.0	28.5	113.7	20.9	20.6	21.5	21.1	84.1
1971	27.7	28.1	29.3	27.9	113.0	20.5	20.8	21.7	20.6	83.6
1972	28.2	28.9	29.4	29.6	116.1	20.9	21.4	21.7	21.9	85.9
1973	28.0	26.2	26.8	28.6	109.6	20.7	19.4	19.8	21.2	81.1
1974	28.3	28.8	29.4	30.3	116.8	20.9	21.3	21.8	22.4	86.4
1975[2]	30.3	28.9				22.4	21.4			
Veal										
1969	0.9	0.8	0.8	0.8	3.3	0.7	0.6	0.7	0.7	2.7
1970	.8	.7	.7	.7	2.9	.6	.6	.6	.6	2.4
1971	.7	.6	.7	.7	2.7	.6	.5	.5	.6	2.2
1972	.6	.5	.5	.6	2.2	.5	.4	.4	.5	1.8
1973	.5	.4	.4	.5	1.8	.5	.3	.3	.4	1.5
1974	.5	.4	.6	.8	2.3	.4	.3	.5	.7	1.9
1975[2]	.9	.6				.7	.5			
Pork										
1969	17.0	16.0	15.5	16.5	65.0	15.8	14.9	14.4	15.3	60.4
1970	15.4	15.6	16.3	19.1	66.4	14.3	14.5	15.2	17.8	61.8
1971	18.3	17.8	18.0	18.9	73.0	17.0	16.6	16.7	17.6	67.9
1972	17.7	16.6	15.8	17.3	67.4	16.5	15.4	14.7	16.1	62.7
1973	16.0	15.4	14.0	16.2	61.6	14.9	14.3	13.0	15.1	57.3
1974	16.7	17.2	16.1	16.6	66.6	15.5	16.0	15.0	15.4	61.9
1975[2]	15.0	14.7				14.0	13.7			
Lamb & Mutton										
1969	0.9	0.8	0.9	0.8	3.4	0.8	0.8	0.7	0.7	3.0
1970	.9	.9	.8	.7	3.3	.8	.8	.7	.6	2.9
1971	.8	.8	.8	.7	3.1	.7	.7	.7	.7	2.8
1972	.8	.9	.9	.7	3.3	.7	.8	.8	.6	2.9
1973	.7	.7	.7	.6	2.7	.7	.6	.6	.5	2.4
1974	.6	.6	.6	.5	2.3	.5	.5	.5	.5	2.0
1975[2]	.5	.6				.5	.5			
Red Meat										
1969	46.0	44.3	45.8	46.4	182.5	37.5	36.0	37.0	37.6	148.1
1970	45.4	45.1	46.8	49.0	186.3	36.6	36.5	38.0	40.1	151.2
1971	47.5	47.3	48.8	48.2	191.8	38.8	38.6	39.6	39.5	156.5
1972	47.3	46.9	46.6	48.2	189.0	38.6	38.0	37.6	39.1	153.3
1973	45.2	42.7	41.9	45.9	175.7	36.8	34.6	33.7	37.2	142.3
1974	45.6	47.0	46.7	47.9	187.3	37.3	38.1	37.8	39.0	152.2
1975[2]	46.7	44.8				37.6	36.1			

[1] Total consumption including farm, 50 States. [2] First quarter preliminary. Second quarter estimated.

Table 9—Average retail price of meat per pound, United States, by months, 1968 to date[1]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
Beef, Choice grade													
1968	84.3	85.1	85.6	85.6	85.8	85.8	87.1	87.0	88.4	87.7	88.1	88.5	86.6
1969	89.5	89.6	90.9	93.3	97.8	101.9	102.4	101.1	99.1	95.2	96.5	96.9	96.2
1970	97.5	97.3	99.4	99.9	99.4	98.5	100.7	100.4	98.7	97.9	97.6	96.5	98.6
1971	97.2	101.3	102.2	104.0	104.8	105.7	104.7	105.7	105.9	105.1	106.3	108.5	104.3
1972	111.5	115.8	115.8	112.0	111.4	113.5	117.3	115.8	112.9	112.8	112.3	114.6	113.8
1973	122.1	130.3	135.3	136.0	136.0	135.5	136.3	144.2	144.9	136.0	134.9	134.4	135.5
1974	143.0	150.0	142.2	136.4	135.0	132.2	137.9	143.4	141.6	136.8	134.4	132.2	138.8
1975	132.8	129.0	127.0	133.9									
Veal, retail cuts													
1968	99.8	99.2	100.0	102.0	100.0	102.5	101.7	101.4	101.9	101.1	101.9	100.9	101.0
1969	102.5	103.7	104.6	107.5	108.6	112.5	114.0	115.0	115.1	115.2	114.6	116.3	110.8
1970	117.2	119.3	120.8	123.3	123.9	124.9	125.7	126.6	127.0	127.4	127.6	127.9	124.3
1971	128.9	129.4	130.6	132.9	133.7	134.8	138.5	139.3	139.6	140.3	140.6	140.9	135.8
1972	142.8	148.6	149.7	151.0	151.7	154.2	156.4	157.3	157.6	158.4	159.4	159.9	153.9
1973	162.2	169.1	176.9	180.5	181.1	181.3	183.2	188.7	188.5	190.6	186.2	191.6	181.7
1974	194.5	198.4	199.1	194.8	193.3	193.7	192.4	194.8	196.1	192.4	189.1	190.6	194.1
1975	187.0	184.1	180.8	181.9									
Pork													
1968	65.4	66.7	67.1	66.3	66.7	67.8	69.4	69.0	68.8	67.8	67.1	67.0	67.4
1969	67.9	68.6	69.0	69.1	71.6	75.0	76.9	78.3	78.9	78.7	78.1	79.7	74.3
1970	82.1	81.8	81.4	79.9	80.0	80.0	80.6	79.7	76.7	74.6	70.8	68.4	78.0
1971	68.4	69.4	69.9	68.7	68.2	69.6	71.4	71.6	71.0	71.3	71.4	72.9	70.3
1972	76.3	81.3	79.4	78.2	79.4	82.0	85.6	86.0	86.6	87.5	87.2	88.5	83.2
1973	94.1	97.1	103.0	102.7	102.4	104.1	107.5	131.5	126.3	117.1	115.4	115.8	109.8
1974	116.7	117.2	111.8	104.7	99.4	93.7	103.7	108.7	109.9	109.0	111.4	112.7	108.2
1975	114.9	114.8	113.6	115.7									
Lamb, Choice grade													
1968	89.8	90.4	92.0	92.5	93.3	93.7	94.5	93.6	93.1	94.5	94.2	93.5	92.9
1969	94.5	95.9	96.4	97.1	100.1	101.8	104.4	102.9	103.4	103.9	103.7	104.8	100.7
1970	104.8	104.8	104.7	105.6	103.9	105.7	106.0	106.3	106.3	105.9	105.9	106.4	105.5
1971	105.9	106.5	107.0	107.4	108.0	109.6	111.4	111.5	112.6	110.9	112.7	113.0	109.7
1972	113.0	115.3	115.5	116.0	115.7	119.0	121.2	121.5	121.0	121.5	122.5	123.7	118.8
1973	125.6	130.2	136.1	135.5	134.2	132.2	133.4	140.4	145.4	135.2	131.3	131.7	134.3
1974	132.6	138.2	141.9	141.3	141.8	144.4	151.4	151.5	154.1	151.8	152.2	155.9	145.7
1975	156.0	157.2	154.7	158.6									

[1] Estimated weighted average price of retail cuts. Compiled by Economic Research Service from BLS data.

expected sharp increase in nonfed cattle slaughter dose not materialize. Another price strenthening factor in summer retail meat prices would be a much sharper recovery of the general economy than now seems likely.

By fall, red meat supplies will increase seasonally and retail meat prices could move slightly lower than in the summer. The record consumption of beef expected during October-December will be offset by the continued reductions from a year ago in pork supplies. Fourth quarter 1975 meat consumption could be the highest for the year at 47-48 pounds per person, but it is still expected to remain marginally under the 1974 fall rate.

At this time it appears that beef consumption may total 120-122 pounds per person this year, up 3-5 pounds from last year's previous all-time high. Veal consumption may total just under 3 pounds per person, the largest since 1970. But an expected 10-pound-per-person reduction in pork consumption and a small decline in lamb will be totally offsetting, leaving per capita red meat consumption this year near 183-185 pounds, down 3-5 pounds from 1974. Although pork consumption this year could be the smallest since 1937, total red meat consumption could still be the fifth largest on record.

Consumer Meat Expenditures Rise

Preliminary data on consumption and retail prices this spring suggest that consumer expenditures for meat are rising from the winter level of about $47 per person (table 11). Second quarter expenditures may total near $49, up almost $2 from the winter and $3 from a year earlier. Compared with the first quarter, second quarter expenditures for beef and pork appear to be increasing marginally as reduced consumption is being fully offset by higher prices. Although disposable income data for the second quarter is still an estimate, if incomes are growing as shown, consumers are spending a smaller proportion of their incomes on meat this year than the unusually high rates of 1974.

While possible slackening in consumer demand may be reflected by the reduction in the proportion of

Table 10—Average retail price of specified meat cuts, per pound, by months, 1972 to date

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
Beef:												
Porterhouse steak												
1972	176.3	180.8	181.3	177.8	175.3	180.1	187.1	187.3	184.9	180.2	182.0	179.7
1973	187.7	197.1	201.4	204.4	204.1	206.4	207.7	216.7	216.3	207.6	202.4	200.2
1974	201.3	214.7	211.5	206.0	204.1	206.6	205.8	220.2	226.6	216.4	212.0	207.8
1975	204.6	203.7	199.1	203.9								
Round steak												
1972	143.9	151.0	151.3	147.4	143.7	145.9	151.0	150.7	147.1	145.9	147.7	146.6
1973	155.9	167.8	174.6	174.8	173.8	173.9	176.3	187.7	188.5	175.8	174.7	171.4
1974	176.7	193.4	187.3	178.8	175.6	174.9	174.0	182.9	185.9	178.7	177.8	171.0
1975	172.9	171.5	167.9	171.0								
Rib roast												
1972	126.8	130.5	131.4	129.6	128.1	128.2	132.2	132.2	130.2	128.8	127.8	128.4
1973	137.2	142.3	148.6	150.9	152.4	153.4	154.4	160.1	161.5	157.8	154.5	153.8
1974	154.8	163.4	159.8	154.7	153.3	152.0	152.1	160.1	168.6	164.5	159.7	158.6
1975	160.7	157.3	154.9	155.9								
Rump roast												
1972	141.0	148.1	149.1	146.0	142.1	145.3	149.3	150.1	147.0	145.7	146.3	145.8
1973	153.7	164.4	169.5	169.8	169.7	170.2	171.6	181.7	182.3	172.1	170.8	167.3
1974	171.8	186.9	182.0	174.8	172.2	171.6	170.5	177.2	180.8	174.3	174.5	169.9
1975	169.3	169.6	167.1	169.6								
Chuck roast												
1972	79.1	84.2	85.1	83.0	80.7	79.8	83.5	84.6	82.2	81.2	81.1	81.1
1973	85.3	96.1	100.6	103.3	103.6	103.3	103.9	114.2	115.0	106.3	101.8	100.5
1974	101.0	114.7	113.0	102.7	97.4	95.0	95.4	102.2	105.0	101.2	99.5	98.2
1975	91.5	92.1	90.6	90.9								
Hamburger												
1972	70.6	73.2	74.1	73.8	73.5	74.1	75.1	76.4	75.3	75.7	75.4	75.2
1973	78.2	83.9	91.3	94.2	94.6	95.3	94.8	103.8	106.2	104.2	101.5	100.4
1974	102.6	109.5	108.4	101.2	97.1	95.2	90.5	94.8	96.4	93.0	89.7	87.5
1975	85.4	82.8	80.5	80.5								
Veal Cutlet												
1972	250.5	260.7	262.7	265.0	266.3	270.7	274.5	276.1	276.6	278.0	279.8	280.8
1973	284.6	295.7	308.5	314.0	314.1	313.5	315.9	324.6	323.4	326.2	327.4	326.0
1974	341.3	348.4	350.2	343.1	340.9	342.0	340.2	344.8	347.5	341.6	336.2	339.2
1975	328.1	323.0	317.2	319.2								
Pork:												
Chops												
1972	112.3	125.1	119.9	116.8	115.6	120.7	131.6	128.9	132.5	131.3	130.9	129.3
1973	139.5	147.7	154.2	145.0	147.0	150.0	152.1	196.5	169.8	157.9	157.6	153.4
1974	162.7	164.0	158.5	149.7	143.7	139.8	153.9	158.9	164.5	161.9	161.2	159.0
1975	160.7	161.4	161.1	161.4								
Roast, loin												
1972	79.5	86.9	85.5	82.8	82.1	85.1	93.1	92.1	93.1	93.2	93.3	92.0
1973	99.3	105.5	111.9	109.5	108.7	110.1	111.7	151.5	131.3	120.7	119.7	116.9
1974	122.9	123.9	121.1	111.7	107.5	102.9	113.3	117.6	121.6	119.8	119.1	117.2
1975	121.1	120.4	120.0	119.8								
Bacon, sliced												
1972	83.2	93.9	92.7	92.5	91.2	93.1	95.7	99.4	99.8	106.0	103.7	103.5
1973	107.3	114.7	118.1	121.6	119.5	121.2	123.1	161.0	166.4	152.8	142.9	141.4
1974	139.1	143.4	137.1	124.8	118.1	109.7	108.9	132.6	140.6	141.6	143.8	144.2
1975	147.1	147.8	149.2	147.9								
Ham, whole												
1972	74.9	76.6	77.8	76.7	75.2	76.3	77.5	78.0	78.6	79.9	81.9	85.5
1973	92.0	91.0	94.8	99.7	98.4	97.8	98.2	121.7	126.0	115.3	117.0	122.2
1974	121.3	115.9	114.2	108.9	97.3	92.6	89.9	99.0	101.1	102.7	108.8	113.8
1975	114.7	109.9	110.5	109.9								
Lamb Chops												
1972	192.1	195.5	196.0	195.3	195.0	199.7	203.0	203.6	202.6	203.9	204.0	203.1
1973	205.3	218.1	225.5	227.5	226.6	224.5	228.8	241.4	240.8	227.1	223.4	230.1
1974	200.2	216.3	219.7	213.2	213.0	222.9	225.7	226.1	226.2	223.2	224.5	227.3
1975	252.1	254.8	255.3	256.2								

Data from the Bureau of Labor Statistics.

Table 11—Expenditures per person and percent of income spent for red meat[1]

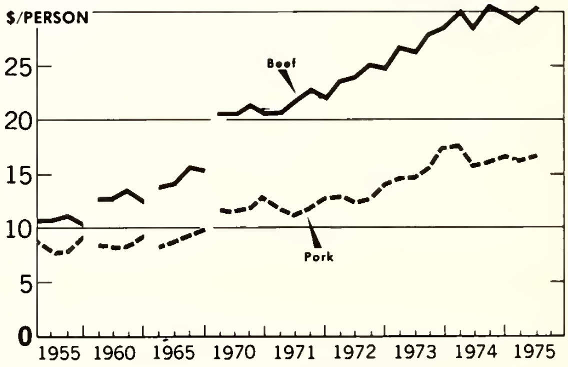
Year and quarter	Disposable income	Spent for beef[2]	Percentage	Spent for pork	Percentage	Spent for veal	Percentage	Spent for lamb	Percentage	Spent for all meat	Percentage
	Dollars	*Dollars*	*Percent*	*Dollars*	*Percent*	*Dollars*	*Percent*	*Dollars*	*Percent*	*Dollars*	*Percent*
1955	1,666	42.75	2.57	33.27	2.00	4.99	0.30	2.73	0.16	83.76	5.02
1960	1,937	51.57	2.66	33.76	1.74	4.10	.21	3.11	.16	92.54	4.78
1965	2,436	58.95	2.42	35.93	1.47	3.58	.15	2.61	.11	101.07	4.15
1970	3,376	82.92	2.46	48.20	1.43	2.98	.09	3.06	.09	137.16	4.06
1971											
I	883	20.54	2.33	11.76	1.33	.78	.09	.75	.08	33.83	3.83
II	900	21.80	2.42	11.42	1.27	.67	.07	.76	.08	34.65	3.85
III	906	22.87	2.52	11.91	1.31	.70	.08	.78	.09	36.26	4.00
IV	916	21.96	2.40	12.65	1.38	.84	.09	.79	.09	36.24	3.96
Year	3,605	87.11	2.42	47.74	1.32	2.98	.08	3.07	.09	140.90	3.91
1972											
I	930	23.91	2.57	13.04	1.39	.74	.08	.80	.09	38.49	4.14
II	947	24.03	2.54	12.31	1.30	.61	.06	.94	.10	37.89	4.00
III	966	25.02	2.59	12.66	1.31	.63	.07	.97	.10	39.28	4.07
IV	1,000	24.79	2.48	14.12	1.41	.80	.08	.74	.07	40.45	4.04
Year	3,843	97.75	2.54	52.17	1.36	2.77	.07	3.45	.09	156.14	4.06
1973											
I	1,036	26.74	2.58	14.62	1.41	.85	.08	.91	.09	43.12	4.16
II	1,061	26.35	2.48	14.74	1.39	.54	.05	.80	.08	42.43	4.00
III	1,085	28.08	2.59	15.83	1.46	.56	.05	.84	.08	45.31	4.18
IV	1,113	28.64	2.57	17.53	1.58	.76	.07	.66	.06	47.59	4.28
Year	4,295	109.89	2.56	62.90	1.46	2.73	.06	3.22	.08	178.74	4.16
1974											
I	1,124	30.33	2.70	17.86	1.59	.79	.07	.69	.06	49.67	4.42
II	1,142	28.65	2.51	15.89	1.39	.58	.05	.70	.06	45.82	4.01
III	1,171	30.74	2.63	16.11	1.38	.97	.08	.76	.06	48.58	4.15
IV	1,186	30.12	2.54	17.09	1.44	1.33	.11	.77	.06	49.32	4.16
Year	4,623	119.92	2.59	66.98	1.45	3.69	.08	2.91	.06	193.50	4.19
1975											
I[3]	1,194	29.03	2.43	16.02	1.34	1.29	.11	.78	.07	47.12	3.95
II[4]	1,231	30.60	2.49	16.58	1.35	.92	.07	.80	.06	48.90	3.97
III											
IV											
Year											

[1] Estimated from retail weight of consumption times average retail price. Conversion factors of 0.74 for beef, 0.93 for pork, 0.83 for veal, and 0.89 for lamb and mutton were used to adjust carcass weight consumption to retail weight consumption.

[2] Based on the average retail price of Choice grade beef and does not attempt to account for prices of other grades or the value of away-from-home consumption. [3] Preliminary. [4] Estimated.

consumer incomes spent for meat, the condition of the general economy and rising unemployment rates have not affected meat demand nearly as much as for most other commodities, especially durables. The national economy during the first half of 1975 is adjusting to reduced overall consumer demand by lower production, higher unemployment rates, and general inventory liquidation. While inventory liquidation is currently exerting downward pressure on economic activity, it is a prerequisite to a turnaround in production and employment later this year. By the third quarter this year, inventory liquidation in the general economy may be largely accomplished and inflation rates could be considerably lower than peak 1974 levels. Then the ability of the economy to respond to the stimuli of tax reductions and rebates, which will be fully in effect, will become the key factor in economic recovery. A much stronger economy later this year could bolster meat demand somewhat. But consumers have been delaying purchases of durables for several months, so much of the increase in product demand later this year could have a greater impact on durables than in nondurables such as food and meat in particular.

PER CAPITA EXPENDITURES FOR BEEF AND PORK*



*ESTIMATED FROM RETAIL WEIGHT OF CONSUMPTION TIMES AVERAGE RETAIL PRICE

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 642 75 (6) ECONOMIC RESEARCH SERVICE

Supply and distribution of commercially produced meat, by month, carcass weight

Meat and period	Supply			Distribution				
	Production[1]	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption	
							Total	Per person[2]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
Beef:								
1974								
April	1,853	477	136	10	471	14	1,971	9.4
May	1,945	471	123	8	465	13	2,053	9.8
June	1,840	465	126	8	441	9	1,973	9.4
July	1,941	441	98	9	403	23	2,045	9.8
August	1,953	403	159	7	376	24	2,108	10.0
September	1,857	376	134	7	347	25	1,988	9.5
October	2,151	347	105	8	359	13	2,223	10.6
November	1,952	359	130	9	359	20	2,053	9.7
December	1,918	359	145	10	402	19	1,991	9.5
1975								
January	2,100	402	188	10	414	17	2,249	10.7
February	1,843	414	138	8	392	19	1,976	9.4
March	1,890	392	149	8	383	16	2,024	9.6
April	1,894	383	123		350			
Veal:								
1974								
April	28	14	2	1	14	(3)	29	0.2
May	29	14	2	1	14	1	29	.1
June	27	14	2	(3)	15	1	27	.1
July	34	15	1	1	14	1	34	.2
August	40	14	2	2	13	1	40	.2
September	47	13	1	1	12	1	47	.2
October	59	12	3	1	12	1	60	.3
November	48	12	4	3	13	(3)	48	.2
December	47	13	4	2	14	(3)	48	.2
1975								
January	59	14	4	1	15	1	60	.3
February	50	15	1	1	14	(3)	51	.2
March	56	14	2	1	13	1	57	.3
April	60	13	1		11			
Lamb & Mutton:								
1974								
April	43	14	6	(3)	14	(3)	49	.2
May	37	14	2	(3)	17	(3)	36	.2
June	29	17	4	1	16	(3)	33	.2
July	36	16	2	1	16	(3)	37	.2
August	39	16	1	(3)	15	(3)	41	.2
September	43	15	1	1	14	(3)	44	.2
October	44	14	1	1	15	(3)	43	.2
November	32	15	(3)	1	14	(3)	32	.2
December	32	14	1	1	14	1	31	.1
1975								
January	35	14	1	1	12	(3)	37	.2
February	31	12	2	(3)	11	(3)	34	.1
March	35	11	2	(3)	9	(3)	39	.2
April	34	9	3		10			
Pork:								
1974								
April	1,225	347	43	13	405	8	1,189	5.7
May	1,256	405	39	13	412	7	1,268	6.0
June	1,050	412	30	18	354	13	1,107	5.3
July	1,016	354	33	14	292	11	1,086	5.2
August	1,100	292	25	20	254	7	1,136	5.4
September	1,127	254	36	25	249	10	1,133	5.4
October	1,217	249	39	22	269	6	1,208	5.8
November	1,123	269	40	20	302	7	1,103	5.2
December	1,091	302	43	17	306	8	1,105	5.2
1975								
January	1,113	306	44	17	295	6	1,145	5.5
February	954	295	33	17	301	8	956	4.5
March	976	301	40	30	299	6	982	4.6
April	1,100	299	29		341			
Total Meat:								
1974								
April	3,149	852	187	24	904	22	3,238	15.5
May	3,267	904	166	22	908	21	3,386	16.1
June	2,946	908	162	27	826	23	3,140	15.0
July	3,027	826	134	25	725	35	3,202	15.4
August	3,152	725	187	29	658	32	3,325	15.8
September	3,074	658	172	34	622	36	3,212	15.3
October	3,471	622	148	32	655	20	3,534	16.9
November	3,155	655	174	33	688	27	3,236	15.3
December	3,088	688	193	30	736	28	3,175	15.0
1975								
January	3,307	736	237	29	736	24	3,491	16.7
February	2,878	736	174	26	718	27	3,017	14.2
March	2,957	718	193	39	704	23	3,102	14.7
April	3,088	704	156		711			

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[1] Excludes production from farm slaughter. [2] Derived from estimates by months of population eating out of civilian food supplies. [3] Less than 500,000 pounds.

Table 12—Canned Meat: Supply and distribution, 1960 to date

Year	Federally inspected production[1]	Imports		Beginning stocks[4]	Commercial exports and shipments[5]	Ending stocks[4]	Domestic disappearance		
		Canned beef[2]	Canned pork[3]				Military[6]	Civilian[7] [9]	Per capita[8] [9]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
1960	1,754	77	127	53	23	57	11	1,920	10.8
1961	1,896	95	125	57	21	56	21	2,075	11.5
1962	1,980	84	158	56	17	59	27	2,175	11.8
1963	2,058	112	151	59	18	70	92	2,200	11.8
1964	2,217	79	146	70	20	76	89	2,327	12.3
1965	2,104	91	178	76	44	51	159	2,195	11.5
1966	2,254	90	233	51	44	53	136	2,395	12.4
1967	2,299	98	252	53	45	57	135	2,395	12.6
1968	2,420	118	268	57	51	51	185	2,465	13.1
1969	2,605	117	264	51	45	47	115	2,830	14.3
1970	2,577	119	285	47	27	57	92	2,852	14.1
1971	2,752	91	288	57	24	72	123	2,969	14.5
1972	2,576	100	305	72	54	61	65	2,729	13.2
1973	2,580	94	312	61	51	69	40	2,887	13.9
1974	2,470	94	294	69	54	67	41	2,765	13.2

[1] Beef, pork sausage, all other, excluding soup. Data from Meat Inspection Division, APHIS. [2] Data from Bureau of the Census. [3] Federally inspected for entry. Data from meat inspection Division, APHIS. Beginning in 1967 data from Bureau of the Census. [4] Refrigerated stocks only. [5] Includes shipments to territories. Data from Bureau of the Census. [6] From Statistical Yearbook of the Quartermaster Crops and other military records. [7] Calculated from federally inspected supplies and distribution as shown. Federally inspected production is the largest part of total U.S. production of canned meat. [8] Civilian per capita. [9] Includes canned meat bought by the Department of Agriculture for school lunches and eligible institutions.

Table 13—Edible offals: Supply and distribution, 1960 to date

Year	Supply				Distribution				
	Total production[1]	Beginning commercial stocks[2]	Imports	Total	Ending commercial stocks[2]	Commercial exports[3]	Domestic disappearance		
							Military	Civilian	Per capita[4]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Pounds*
1960	1,924	---	2	1,926	---	118	(5)	1,808	10.1
1961	1,945	---	2	1,947	---	123	(5)	1,824	10.1
1962	1,969	---	3	1,972	---	124	(5)	1,848	10.1
1963	2,074	---	3	2,077	---	158	(5)	1,919	10.3
1964	2,219	---	1	2,220	---	229	(5)	1,991	10.5
1965	2,143	---	2	2,145	---	226	(5)	1,919	10.0
1966	2,212	---	3	2,215	---	219	(5)	1,996	10.3
1967	2,315	---	4	2,319	---	226	(5)	2,093	10.7
1968	2,383	---	4	2,387	---	232	(5)	2,155	10.9
1969	2,385	---	6	2,391	---	247	(5)	2,144	10.8
1970	2,444	---	10	2,454	---	250	(5)	2,204	10.9
1971	2,545	---	7	2,552	---	289	(5)	2,263	11.1
1972	2,493	---	8	2,501	---	292	(5)	2,209	10.7
1973	2,344	---	7	2,351	---	298	(5)	2,053	9.9
1974	2,551	---	6	2,557	---	309	(5)	2,248	10.7

[1] Production of offals based on percentage of carcass-weight meat production, including farm: beef 6.7, veal 10.7 lamb and mutton 5.1, pork excluding lard 6.7 percent. [2] Not reported. Assumed no change in stocks during the year. [3] Beginning 1965 includes shipments to territories. [4] Civilian per capita. [5] Less than 500,000 pounds.

Table 14—U.S. meat imports and exports and percentage comparisons (carcass weight), 1974 and 1975

Months	Beef and veal			Lamb and mutton[1]			Pork			Total meat		
	1974	1975	Change	1974	1975	Change	1974	1975	Change	1974	1975	Change
	Mil. lb.	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*	*Mil. lb.*	*Mil. lb.*	*Pct.*
IMPORTS												
January	178	192	+8	1	1	+24	43	44	+2	222	237	+6
February	127	139	+9	3	2	-45	47	33	-29	177	174	-2
March	164	151	-8	4	2	-34	52	40	-23	220	193	-12
April	137	124	-10	6	3	-49	43	29	-32	186	156	-16
May	125			2			39			166		
June	128			4			30			162		
July	99			2			33			134		
August	161			1			25			187		
September	135			1			36			172		
October	108			1			39			148		
November	134			1			40			175		
December	149			1			43			193		
Total	1,645			27			470			2,142		
EXPORTS												
January	9.57	4.09	-57	0.35	0.39	+10	4.76	8.61	+81	14.68	13.09	-11
February	8.77	4.24	-5	.27	.26	-4	3.13	10.64	+240	12.17	15.14	+24
March	8.06	4.02	-50	.34	.39	+13	4.12	24.88	+503	12.52	29.29	+134
April	6.02	4.33	-28	.41	.37	-11	5.88	10.68	+82	12.31	15.38	+25
May	4.66			.22			6.22			11.10		
June	3.48			.22			9.19			12.89		
July	3,82			.41			8.19			12.42		
August	3.06			.24			13.20			16.50		
September	3.34			.27			15.63			19.24		
October	4.04			.46			16.03			20.53		
November	4.12			.48			10.22			14.82		
December	4.27			.31			8.02			12.60		
Total	63.21			3.98			104.59			171.78		

[1] Includes goat meat.

Table 15—Meat subject to U.S. import quota restriction: Product weight of imports by months, average 1959-63, 1964-75

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
1959-63 average	47.3	49.6	57.5	54.3	48.5	58.6	67.1	84.1	76.1	61.6	56.1	61.4	722.2
1964	87.2	44.9	68.9	61.4	51.1	98.1	43.7	79.5	49.6	46.4	55.7	53.4	739.9
1965	28.2	34.5	68.7	32.4	52.3	41.9	58.5	59.9	62.2	64.4	57.2	53.7	613.9
1966	51.4	60.3	49.4	63.3	52.0	100.2	61.4	87.1	91.5	79.7	61.1	66.0	823.4
1967	77.4	58.5	61.9	58.8	51.5	69.6	88.7	92.2	89.8	91.8	82.3	72.4	894.9
1968	80.7	72.6	64.1	78.4	56.1	105.1	86.4	108.6	115.5	102.1	95.8	35.6	1,001.0
1969[1]	41.9	50.4	136.1	90.0	80.5	85.7	107.1	141.8	121.4	108.4	51.4	69.4	1,084.1
1970[1]	124.5	100.7	112.0	88.7	62.1	93.4	110.0	113.0	107.6	89.3	79.3	89.8	1,170.4
1971[1]	83.4	65.1	88.3	86.2	76.8	101.0	94.4	104.9	158.6	80.4	63.2	130.3	1,132.6
1972[1]	86.9	80.8	75.4	105.4	107.9	106.4	106.8	164.6	163.8	145.1	119.0	93.4	1,355.5
1973[1]	106.2	98.4	88.3	97.9	113.1	91.5	106.0	153.7	110.3	149.9	130.0	110.3	1,355.6
1974[1]	118.0	82.3	104.9	91.4	80.6	78.6	59.4	101.4	91.8	72.3	93.2	105.2	1,079.1
1975	135.5	97.5	106.0	86.1									

[1] Rejections for calendar year 1969 equaled 13.5 million pounds, 17.4 million pounds for 1970, 21.0 million pounds for 1971, 17.8 million pounds for 1972, 18.4 million pounds for 1973, and 9.6 for 1974.

Selected price statistics for meat animals and meat

Item	1974				1975				
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	Dollars per 100 pounds								
CATTLE AND CALVES									
Beef steers, slaughter, Omaha									
Prime	42.65	40.81	38.98	37.76	37.02	35.86	37.34	44.56	51.45
Choice	41.41	39.75	38.04	37.05	36.27	34.80	36.08	43.01	49.60
Good	39.20	37.83	36.16	35.36	34.30	32.77	33.92	40.84	46.28
Standard	35.70	33.97	33.05	31.85	29.52	28.37	30.15	34.70	37.51
Utility	33.62	32.54	---	---	---	---	---	---	—
All grades	40.64	39.21	37.54	36.46	35.59	34.12	35.36	42.24	48.72
Choice 900-1100 pounds, California	41.00	39.95	38.75	38.75	39.65	37.19	38.81	45.50	50.94
Choice 900-1100 pounds, Colorado	41.56	40.11	38.19	37.66	36.65	34.52	36.21	42.95	51,35
Cows, Omaha									
Commercial	22.46	19.68	17.70	17.81	16.86	18.19	19.54	21.87	23.59
Utility	22.56	19.68	17.62	17.67	16.82	18.18	19.45	21.67	23.55
Cutter	21.04	17.65	15.72	15.91	15.00	16.02	17.25	18.98	19.64
Canner	19.48	16.18	13.69	13.81	12.96	13.58	14.99	16.51	16.43
Vealers, Choice, S. St. Paul	43.44	40.12	36.48	34.46	36.88	40.25	38.90	46.84	40.56
Stocker and feeder steers, Kansas City[1]	29.80	29.80	27.97	28.05	26.79	26.82	27.86	30.13	34.87
Price received by farmers									
Beef cattle	32.80	30.50	28.30	27.60	27.60	26.90	27.80	31.80	36.50
Cows	21.80	19.00	17.30	17.00	16.50	18.10	18.70	20.10	22.20
Steers and heifers	35.50	33.20	31.70	31.00	31.00	29.60	30.50	34.90	40.10
Calves	29.90	27.50	25.60	24.80	23.90	24.30	24.70	26.80	29.50
Beef steer-corn price ratio[2]	11.7	10.8	10.9	10.8	11.6	12.3	12.9	14.8	17.3
HOGS									
Barrows and gilts, U.S. No. 1 and 2, Omaha									
180-200 pounds	---	---	---	---	---	---	---	---	—
200-220 pounds	36.21	39.42	38.90	41.28	39.68	40.20	40.17	41.54	47.56
220-240 pounds	36.48	39.46	38.92	41.30	39.79	39.89	40.20	41.61	47.33
Barrows and gilts, 7 markets[3]	35.79	38.86	38.34	39.93	38.93	39.61	39.52	40.69	46.44
Sows, 7 markets[3]	29.04	33.39	33.57	33.78	35.01	36.52	36.58	37.00	41.12
Price received by farmers	33.60	37.10	36.70	38.30	38.20	38.40	38.30	39.30	45.10
Hog-corn price ratio[4]									
Omaha, barrows and gilts	10.3	10.6	11.0	11.8	12,6	14.1	14.3	14.1	16.4
Price received by farmers, all hogs	10.2	10.8	11.1	11.7	12.4	13.4	14.3	14.7	17.0
SHEEP AND LAMBS									
Sheep									
Slaughter ewes, Good, San Angelo	13.25	10.40	6.89	13.33	14.12	15.56	17.20	18.40	15.44
Price received by farmers	9.56	8.20	8.10	8.70	9.60	9.90	10.10	11.40	11.70
Lamb									
Slaughter, Choice, San Angelo	36.12	35.25	37.58	39.25	38.25	39.31	46.50	46.65	47.62
Feeder, Choice, San Angelo	30.42	31.75	36.25	36.42	34.12	35.31	37.38	43.65	43.00
Price received by farmers	32.70	33.10	34.90	36.10	36.90	38.10	39.90	42.70	45.40
ALL MEAT ANIMALS									
Index number price received by farmers (1967=100)	153	151	145	145	145	144	146	159	182
	Dollars per 100 pounds								
MEAT									
Wholesale, Chicago, Carlot									
Steer beef carcass, Choice, 600-700 pounds	67.00	64.98	62.23	60.38	61.36	58.41	59.50	70.20	80.60
Heifer beef, Choice, 500-600 pounds	65.70	63.61	60.78	59.47	60.63	57.63	58.48	68.66	78.92
Cow beef, Canner and Cutter	45.90	41.70	37.96	38.94	36.94	39.62	41.84	44.07	46.44
Lamb carcass, Choice and Prime, 45-55 pounds	75.64	80.38	---	---	---	---	---	---	---
Fresh pork loins, 8-14 pounds	76.36	76.52	72.09	72.48	79.25	76.53	74.79	78.63	92.49
	Cents per pound								
Retail, United States average									
Beef, Choice grade	141.6	136.8	134.4	132.2	132.8	129.0	127.0	133.9	
Pork, retail cuts and sausage	109.9	109.0	111.4	112.7	114.9	114.8	113.6	115.7	
Lamb, Choice grade	143.6	140.2	139.4	141.8	156.0	157.2	154.7	158.6	
Index number all meats (BLS)									
Wholesale (1967=100)	161.3	160.2	155.4	156.0	161.9	159.0	159.0	171.6	
Retail (1967=100)	166.7	163.5	163.0	161.7	161.9	160.9	159.7	160.2	
Beef and veal	172.9	166.8	163.7	160.1	158.5	156.6	153.3	154.6	
Pork	164.8	164.0	166.8	167.1	170.0	169.6	170.5	170.0	

[1] Average all weights and grades. [2] Bushels of No. 2 Yellow

Selected marketings, slaughter and stock statistics for meat animals and meat

Item	Unit	1974					1975			
		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Federally inspected										
Slaughter										
Cattle	1,000 head	2,876	2,787	3,230	2,929	2,902	3,152	2,778	2,826	2,889
Steers	1,000 head	1,463	1,442	1,590	1,403	1,403	1,535	1,412	1,452	1,428
Heifers	1,000 head	727	686	803	703	694	765	701	700	707
Cows	1,000 head	609	588	759	756	742	786	606	611	683
Bulls and stags	1,000 head	77	71	78	67	63	66	59	63	71
Calves	1,000 head	202	212	279	251	254	284	250	276	284
Sheep and lambs	1,000 head	777	842	851	612	595	662	570	648	627
Hogs	1,000 head	6,363	6,523	7,023	6,402	6,243	6,350	5,540	5,751	6,361
Percentage sows	Percent	10	9	8	8	7	5	4	4	4
Average live weight per head										
Cattle	Pounds	1,039	1,026	1,016	1,026	1,040	1,036	1,036	1,038	1,022
Calves	Pounds	226	229	227	211	204	216	216	222	216
Sheep and lambs	Pounds	101	102	104	104	106	106	107	106	105
Hogs	Pounds	243	243	243	245	246	242	236	236	238
Average dressed weight per head										
Beef	Pounds	625	611	607	607	604	609	608	613	600
Veal	Pounds	128	133	128	121	116	123	121	126	122
Lamb and mutton	Pounds	48	50	51	51	53	52	53	52	52
Pork	Pounds	165	165	165	166	187	187	184	183	185
Lard	Pounds	17	16	18	17	16	16	15	16	14
Production										
Beef	Mil. lb.	1,791	1,697	1,956	1,773	1,747	1,914	1,684	1,728	1,727
Veal	Mil. lb.	26	28	35	30	29	35	30	34	34
Lamb and mutton	Mil. lb.	37	42	43	31	31	34	30	34	32
Pork	Mil. lb.	1,202	1,073	1,154	1,062	1,023	1,049	900	922	1,043
Lard	Mil. lb.	113	107	123	108	99	98	84	91	92
Commercial:										
Slaughter[1]										
Cattle	1,000 head	3,168	3,085	3,601	3,268	3,234	3,506	3,082	3,132	3,206
Calves	1,000 head	260	286	375	330	342	375	330	361	384
Sheep and lambs	1,000 head	807	869	879	634	617	682	586	675	652
Hogs	1,000 head	6,747	6,877	7,430	6,787	6,672	6,759	5,892	6,105	6,731
Production										
Beef	Mil. lb.	1,952	1,855	2,149	1,947	1,917	2,100	1,843	1,890	1,894
Veal	Mil. lb.	40	47	59	50	51	59	50	56	60
Lamb and mutton	Mil. lb.	39	43	44	32	32	35	31	35	34
Pork	Mil. lb.	1,104	1,127	1,217	1,123	1,091	1,113	954	976	1,100
Lard	Mil. lb.	117	111	128	112	104	103	87	94	96
Cold storage stocks first of month										
Beef	Mil. lb.	403	376	347	359	359	402	414	392	383
Veal	Mil. lb.	14	13	12	12	13	14	15	14	13
Lamb and mutton	Mil. lb.	16	15	14	15	14	14	12	11	9
Pork	Mil. lb.	292	254	249	269	302	306	295	301	299
Total meat and meat products[2]	Mil. lb.	802	723	693	723	753	803	815	798	783
Imports (carcass weight)										
Beef and veal	Mil. lb.	161	135	108	134	149	192	139	151	124
Pork	Mil. lb.	25	36	39	40	43	44	33	40	29
Lamb and mutton	Mil. lb.	1	1	1	1	1	1	2	2	3
Exports (carcass weight)										
Beef and veal	Mil. lb.	3.06	3.34	4.04	4.12	4.27	4.09	4.24	4.02	4.33
Pork	Mil. lb.	13.20	15.63	16.03	10.22	8.02	8.61	10.64	24.88	10.68
Lamb and mutton	Mil. lb.	.24	.27	.46	.48	.31	.39	.26	.39	.37
Live animal imports										
Cattle	Number	12,992	15,317	8,698	6,683	16,136	7,570	7,272	6,421	8,697
Hogs	Number	13,450	9,646	8,692	11,914	1,612	2,417	2,586	2,170	2,268
Sheep and lambs	Number	43	136	136	19	345	2	14	2	54
Live animal exports										
Cattle	Number	9,183	16,435	31,993	22,745	28,985	25,877	15,046	14,405	15,597
Hogs	Number	950	1,103	1,912	2,212	1,105	246	4,105	472	764
Sheep and lambs	Number	18,074	16,907	27,176	24,515	36,612	29,254	27,975	32,502	41,755

[1] Federally inspected and other commercial. [2] Includes stocks of canned meats in cooler in addition to the meats listed.

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